



2005

Department of Solid Waste Management
A Department of Miami-Dade County, Florida

Comprehensive Annual Financial Report

For the Fiscal Year Ended
September 30, 2005

Comprehensive Annual Financial Report

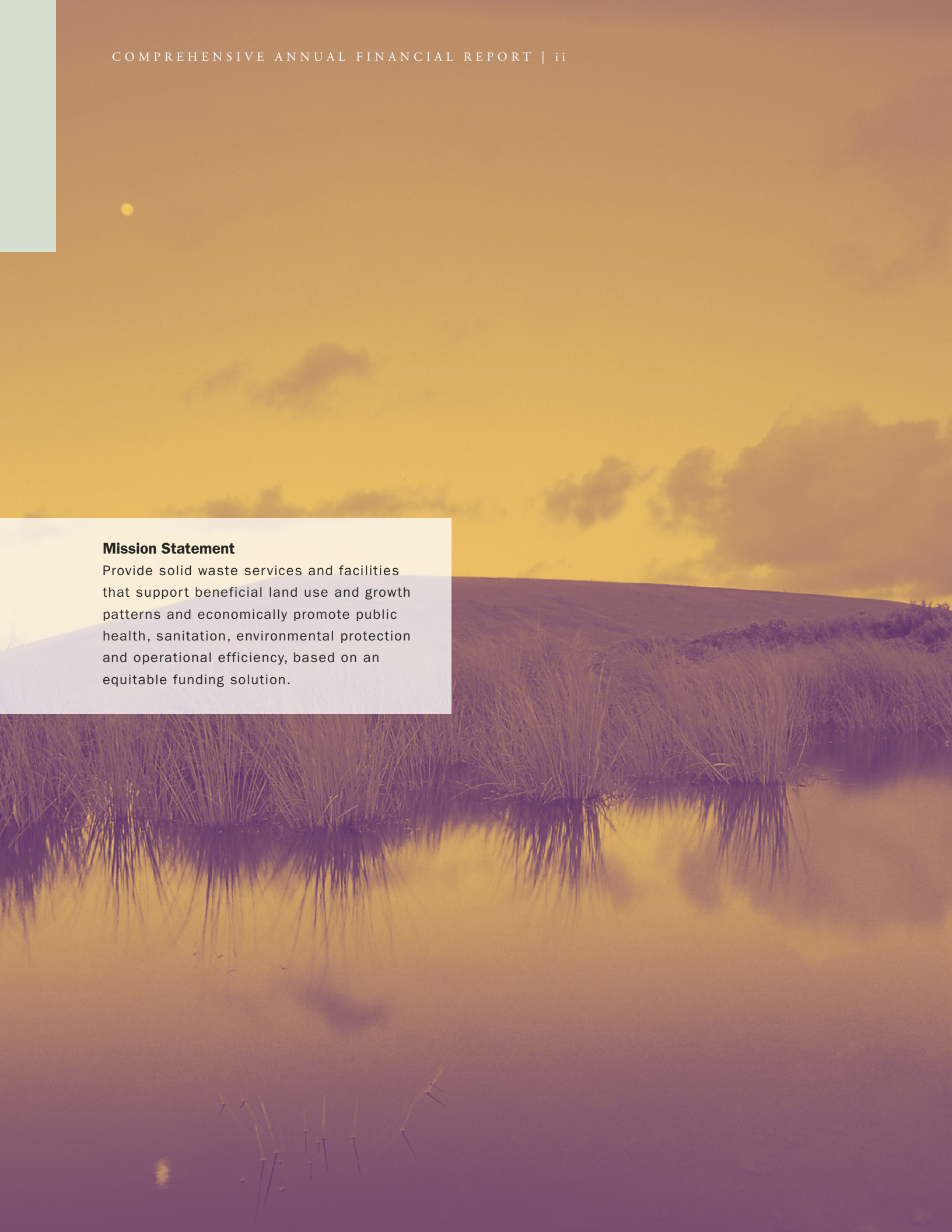
For the Fiscal Year Ended September 30, 2005

Department of Solid Waste Management
A Department of Miami-Dade County, Florida

Prepared by the Accounting Division

2005





Mission Statement

Provide solid waste services and facilities that support beneficial land use and growth patterns and economically promote public health, sanitation, environmental protection and operational efficiency, based on an equitable funding solution.

Department of Solid Waste Management
 A Department of Miami-Dade County, Florida
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended September 30, 2005

TABLE OF CONTENTS

INTRODUCTORY SECTION (UNAUDITED)

Board of County Commissioners	vi
Letter of Transmittal	vii
GFOA Certificate of Achievement	xxi
Organizational Chart	xxii

FINANCIAL SECTION

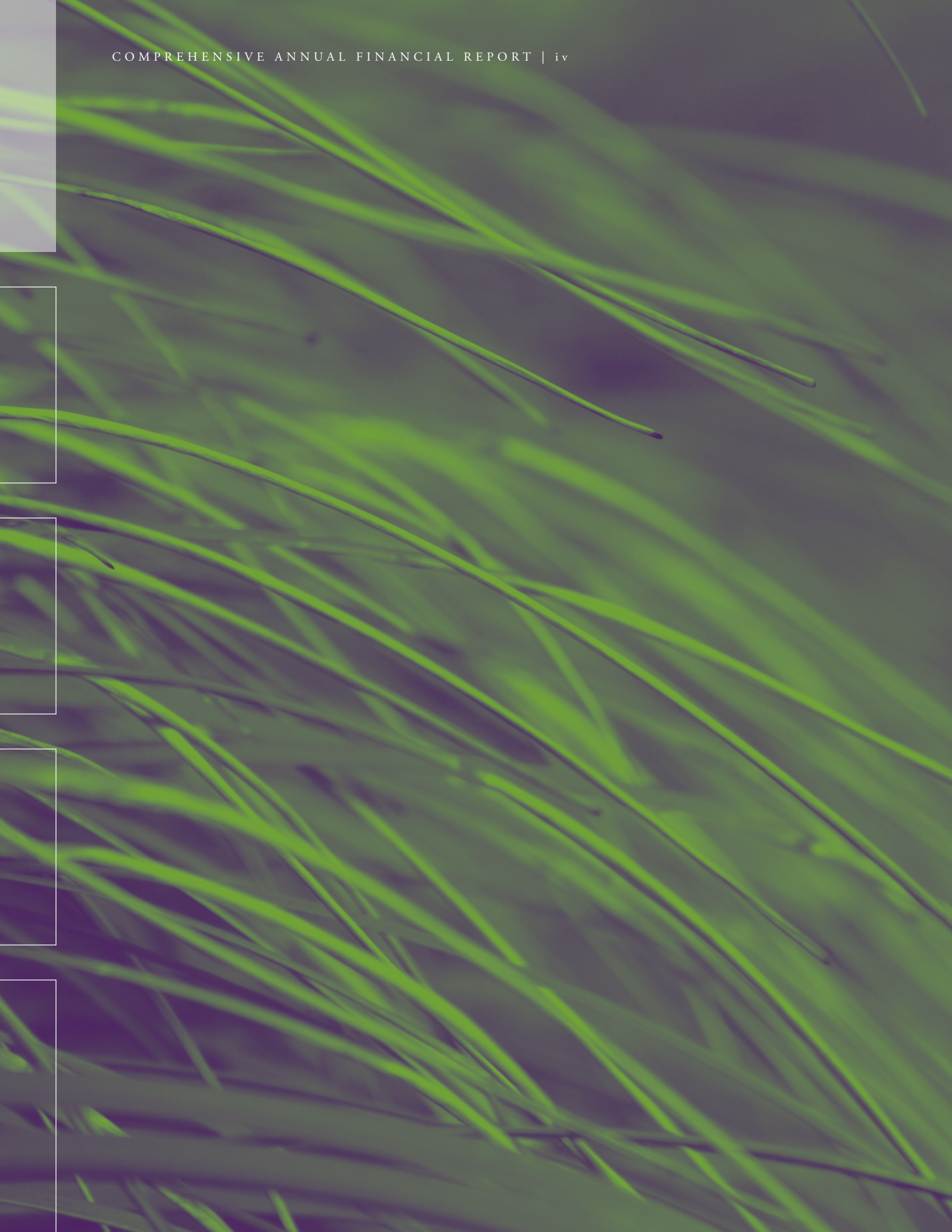
Independent Auditor's Report	2
Management's Discussion and Analysis	4
Financial Statements	
Statements of Net Assets	29
Statements of Revenues, Expenses and Changes in Fund Net Assets	31
Statements of Cash Flows	32
Notes to Financial Statements	34

SUPPLEMENTARY FINANCIAL SECTION

Disposal System	
Supplemental Schedules of Net Assets	62
Supplemental Schedules of Revenues and Expenses	64
Collection System	
Supplemental Schedules of Net Assets	65
Supplemental Schedules of Revenues and Expenses	67

STATISTICAL SECTION (UNAUDITED)

I Revenues & Expenses — Last 10 Years	70
II Definitions	72
III A Disposal System—Tonnages	74
III B Disposal System—Revenue Tons Source	78
IV A Collection System Tonnages by Type	82
IV B Collection System Tonnages by Facility	86
V Collection System — Customer Statistics	90
VI Revenue by Type	93
VII Resources Recovery—Electrical Revenues	94
VIII Home Chemical Collection Program	96
IX Population Statistics	99
X Facilities & Service Area Map	100
XI Insurance in Force	101
XII Debt Service Coverage—Last 10 Years	102
XIII Major Contracts and Agreements—Operating	104
XIV Major Disposal Delivery Agreements	106



INTRODUCTORY SECTION

(UNAUDITED)



Board of County Commissioners



Barbara J. Jordan
District 1



Dorrin D. Rolle
District 2



Audrey M. Edmonson
District 3



Sally A. Heyman
District 4



Bruno A. Barreiro
District 5



Rebeca Sosa
District 6



Carlos A. Gimenez
District 7



Katy Sorenson
District 8



Dennis C. Moss
Vice Chairman
District 9



Sen. Javier D. Souto
District 10



Joe A. Martinez
Chairman, District 11



José "Pepe" Diaz
District 12



Natacha Seijas
District 13



ADA Coordination
 Agenda Coordination
 Animal Services
 Art in Public Places
 Audit and Management Services
 Aviation
 Building
 Building Code Compliance
 Business Development
 Capital Improvements Construction Coordination
 Citizens' Independent Transportation Trust
 Commission on Ethics and Public Trust
 Communications
 Community Action Agency
 Community & Economic Development
 Community Relations
 Consumer Services
 Corrections & Rehabilitation
 Cultural Affairs
 Elections
 Emergency Management
 Employee Relations
 Empowerment Trust
 Enterprise Technology Services
 Environmental Resources Management
 Fair Employment Practices
 Finance
 Fire Rescue
 General Services Administration
 Historic Preservation
 Homeless Trust
 Housing Agency
 Housing Finance Authority
 Human Services
 Independent Review Panel
 International Trade Consortium
 Juvenile Assessment Center
 Medical Examiner
 Metro-Miami Action Plan
 Metropolitan Planning Organization
 Park and Recreation
 Planning and Zoning
 Police
 Procurement Management
 Property Appraiser
 Public Library System
 Public Works
 Safe Neighborhood Parks
 Seaport
Solid Waste Management
 Strategic Business Management
 Team Metro
 Transit
 Task Force on Urban Economic Revitalization
 Vizcaya Museum And Gardens
 Water & Sewer

Solid Waste Management
 2525 NW 62nd Street • 5th Floor
 Miami, Florida 33147
 T 305-514-6666

miamidade.gov

February 17, 2006

The Honorable Carlos Alvarez, Mayor

The Honorable Chairperson and
 Members Board of County Commissioners

Mr. George M. Burgess
 County Manager

Mr. Harvey Ruvin, Clerk
 Board of County Commissioners
 Miami-Dade County, Florida

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (the "Report") from the Department of Solid Waste Management (the "Department"/"DSWM") for the fiscal year ended September 30, 2005 is hereby submitted. This report is published in accordance with Florida Statutes and the resolution covering the issuance of indebtedness by the Department. Pursuant to those requirements, we have issued this Report of the Department presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (GAAS) by a firm of licensed certified public accountants.

This Report consists of Management's representations concerning the finances of the Department. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this Report. To provide a reasonable basis for making these representations, the Department's management has established a comprehensive internal control framework that is designed both to protect the Department's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Department's financial statements in conformity with GAAP. Because the cost of internal controls should not exceed their benefits, the Department's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the

best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Department's financial statements have been audited by KPMG LLP, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Department for the fiscal year ended September 30, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Department's financial statements for the fiscal year ended September 30, 2005, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this Report.

The independent audit of the financial statements of the Department was part of a broader, federally mandated Single Audit of Miami-Dade County, Florida (the "County"/ "Miami-Dade") designed to meet the special needs of federal grantor agencies. The Standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Miami-Dade County, Florida's separately issued Single Audit Report.

This Report is presented in three sections: introductory, financial and statistical. This Introductory Section incorporates the transmittal letters and the organizational chart. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form





of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Department's MD&A can be found immediately following the report of the independent auditors in the Financial Section, which also includes the supplemental financial information of the Department's waste disposal and waste collection systems (identified as supplemental schedules). The Statistical Section is comprised of selected financial and demographic information, presented on a multi-year basis.

Profile of the Department of Solid Waste Management

The Department

In January 1989, the Board passed Administrative Order 9-1 creating the Metropolitan Dade County Department of Solid Waste Management (now the Miami-Dade County Department of Solid Waste Management), by merging the Department of Solid Waste Collection and the Solid Waste Disposal Division of the Public Works Department into a single agency. The Department of Solid Waste Management's principal responsibilities may be categorized as: (1) collection, (2) transfer, (3) disposal and (4) recycling of municipal solid waste.

The Department primarily provides solid waste services to single-family residential units (including certain multi-family units such as duplexes) and a small num-



ber of commercial and multi-family accounts in the unincorporated portions of the County. The Department has entered into long-term interlocal agreements with 18 municipalities to provide solid waste disposal services. It also provides solid waste collection services to the City of Aventura, the City of Doral, the City of Miami Gardens, the City of Sunny Isles Beach, the City of Sweetwater, the Town of Miami Lakes, the Village of Palmetto Bay and the Village of Pinecrest.

The Department is responsible for the operation of a variety of facilities, including Resources Recovery (waste-to-energy facility), landfills, transfer stations and neighborhood Trash & Recycling Centers. The Department is also responsible for meeting the State's countywide environmental compliance objectives, such as the State's 30% waste reduction goal, which is achieved primarily through recycling.

The System

The System comprises: (a) all property, real and personal now or in the future owned, leased (as lessor or lessee), operated or used by the County in providing the services of collecting, transferring, disposing and

recycling of solid waste. This property includes the County's solid waste collection, transfer, disposal and recycling facilities and all improvements, including all buildings, fixtures, equipment, and (b) contracts entered into by the County for the collection, transfer, disposal and recycling of solid waste.

The System does not include, at the option of the County, any solid waste system facility or equipment which may be acquired by the County subsequent to the date of the Original Ordinance and designated by the County as a "Separate System" on or prior to the date of acquisition.

The Department's Disposal and Collection Activities

Financial information for the disposal and collection activities is included in this report under Supplementary Financial Information. Because the Solid Waste System includes all properties, operations and obligations of the Department, the Management's Discussion and Analysis is presented for the System as a whole.

Operations, Facilities and Regulatory Responsibilities

Operations

The residential garbage collection program provides twice weekly garbage collection for residential units in unincorporated Miami-Dade County, the City of Sweetwater under an interlocal agreement, the Village of Pinecrest, the City of Sunny Isles Beach, the Town of Miami Lakes, the Village of Palmetto Bay, the City of Miami Gardens and the City of Doral (all these pursuant to Ordinance No. 96-30), and the City of Aventura. Commercial and multi-family residential establishments may contract with the Department for collection services; the multi-family curbside garbage service provides for twice per week garbage collection.

The Department provides two types of residential container service: “manual residential container service” and “automated residential container service”.

The manual residential container service provides unlimited set-out of bundled tree limbs (four (4) feet in length or under; no single item over 50 pounds), bags or containers which are serviced by the garbage collection service. The automated residential container service provides limited set-out utilizing a county provided container. The residential customer may purchase additional containers or request smaller containers for their use. All materials must be placed inside the containers and the lids must be closed in order to be serviced by the automated garbage collection vehicle.

The Department’s residential service also includes access to any of the 13 trash and recycling centers (“T&R Centers”) located throughout the unincorporated portion of the County. On an annual basis, residents can also request two additional pickups of up to 25 cubic yards each or combine the two additional pickups into one pickup of 50 cubic yards, if needed. Curbside collection of bulky waste for commercial accounts is available for an additional fee.

The residential recycling collection program provides for once per week curbside collection of recyclables. This activity reflects the costs of the recycling program including collection, processing, promotion, administration and marketing of recyclables.

There are two types of commercial collection services: “commercial minimum collection service” and “commercial container service”. The commercial minimum collection service provides for twice per week service, limited to two (2) garbage cans or plastic bags per collection, per waste unit charged. The commercial container service provides for uncompacted rollaway container service with a varying number of pickups and container sizes.

The Department is responsible for operation and management of the County-owned solid waste disposal facilities with the exception of the Resources Recovery Facility, which is operated under a long-term agreement with Montenay-Dade, Ltd.

A portion of the solid waste generated in the County is delivered to the County’s transfer stations by the Department, municipal and private collection vehicles, where it is reloaded into large transfer trailers for transportation to one of the County’s three disposal sites or contracted private disposal facilities. The transfer stations were designed to serve several purposes within the overall System.

These include the following:

- Reduce travel distance and transport time for waste collection vehicles.
- Reduce waiting time and traffic congestion at the Department’s disposal facilities.
- Allow for system operating flexibility by providing short-term storage capacity for solid waste prior to disposal.
- Enable the Department to comply with its various waste delivery obligations without directing municipal or private haulers to specific disposal facilities.



The Department of Solid Waste Management is responsible for enforcing Chapter 15 of the Miami-Dade County Code. This gives the DSWM the authority to regulate matters of illegal dumping and other aspects of solid waste collection and disposal. In fiscal year 2005 the DSWM's Enforcement Division initiatives included, but were not limited to, community outreach, commercial outreach with regards to litter and insufficient garbage service, and enforcement of solid waste violations such as illegal dumping, unscheduled trash on the right-of-way, debris in front of vacant residences, vacant lots, and overflowing dumpsters. The presence of Residential/Commercial Enforcement Officers in the neighborhoods has had a significant impact on the aesthetics of the communities.

During the fiscal year 2005, the Residential/Commercial Enforcement Officers visited 731 businesses distributing brochures concerning litter at their places of business. The officers also completed 44 commercial enforcement

sweeps issuing Warning Notices of Violations for uncontainerized waste, insufficient waste service, or no waste service violations at commercial establishments.

The Residential/Commercial Enforcement Officers continue to be proactive in addressing the issue of trash on the right-of-way at vacant lots, making the vacant lot owner responsible for the trash, if they had not previously reported it as illegal dumping. During fiscal year 2005, the Division continued the Operation Vacuum Clean-ups (OVC's) where the cost of the clean up is no longer the responsibility of the DSWM, but that of the landowner.

The Residential/Commercial and Facilities Enforcement Officers played significant roles in the recovery efforts of Hurricane Katrina. The officers were assigned many different duties during the recovery, which included hurricane debris identification, assisting private contractors and hauling monitors,





measuring truck capacity, and responding to citizens complaints. The officers also monitored the progress of the cleanup, reporting cleared areas and areas that needed further attention.

The Residential/Commercial Enforcement Officers continue to work cooperatively with other enforcement agencies within Miami-Dade County. They regularly conduct code enforcement sweeps with Miami-Dade Police Department's Environmental Investigations Unit (EIU), Team Metro, Department of Environmental Resources Management (DERM), the Health Department and others. The Enforcement Officers work closely with EIU and utilize convicted illegal dumpers to clear litter and debris from some of the County's illegal dumping areas. The Residential/Commercial Officers are also engaged in community outreach by way of attending various Community Council Meetings, Homeowner Association meetings as well as participating in Team Metro's University program.

The Enforcement Officers assigned to the Department's three main disposal facilities (North Dade Landfill, South Dade Landfill and Resources Recovery) work closely with our Environmental Compliance Division, the Health Department, EIU, DERM and others to control the types of material entering our facilities,



making certain that un-permitted haulers are caught and brought into the Department's permitting system.

The Department is committed to pursuing allowable, cost-effective programs and activities that have positive environmental impacts. During fiscal year 2005, it continued its project to optimize operation of equipment on the boilers at the Resources Recovery Facility (RRF), which is designed to meet the Clean Air Act standards, established by the United States Environmental Protection Agency (USEPA). The plant achieved an overall compliance with the CO (Carbon Monoxide) standard, currently set at 200 parts per million (ppm), of roughly 99%. This represents two violations among the four boilers for the entire year. The USEPA, under the mandatory periodic MACT (Maximum Achievable Control Technology) standard review has proposed a change in the CO standard for plants with technology differing from the original model plants. USEPA has determined that an appropriate standard for the Miami-Dade County plant is 250 ppm based on a 24 hour geometric mean. This amended standard is expected to be promulgated for large Municipal Waste Combustor plants on April 28, 2006.

Montenay Power Corporation (MPC), the RRF plant operator, resolved seven issues including the following warning letters from the Florida Department of Envi-



ronmental Protection (FDEP): WL04-0018AS13SED issued October 19, 2004; WL0007AS13SED issued February 24, 2004; WL04-0033AS13SED issued January 3, 2005; and WL05-0001AS13SED issued January 11, 2005 by entering into a Consent Order. Other alleged violations resolved were a CO violation occurring on April 13, 2005, irregularities in stack testing methods, violations in visible emission standards and reporting deficiencies. This Order, OGC File No. 05-1530, includes penalties of \$113,600, which can be paid via implementation of Pollution Prevention (P2) projects. MPC has elected to implement various P2 projects in lieu of paying cash to resolve the matters. The Order, between MPC and FDEP, was fully executed on November 28, 2005.

MPC received a Warning Letter from the FDEP for alleged violation on September 23, 2005 of the current CO standard of 200 ppm. MPC resolved

this violation by entering into a short form Consent Order (OGC File No. 05-2451) and paying \$8,000 in penalties and \$250 in administrative fees.

Significant environmental programs such as operation of landfill gas control and groundwater remediation systems, groundwater monitoring, wetlands monitoring, exotics control and maintenance of the restored coastal and freshwater wetlands associated with the South Dade Landfill, Old South Dade Landfill, 58th Street Landfill, Ojus and the Resources Recovery Ashfill continued in fiscal year 2005.

The landfill gas and groundwater remediation systems, which are operated by a contractor, achieved excellent availability with continuous operation except for minor interruptions due primarily to area-wide power outages and interruptions due to Hurricanes Katrina and Rita.



The Department's waste reduction and recycling programs are designed to reduce waste generation and maximize recyclable material recovery to achieve the State of Florida's 30% recycling goal. The Department continues to provide recycling programs that target all waste generators. The Department's waste reduction programs include programs for curbside recycling collection, home chemical collection, electronic recycling and a recyclable materials procurement policy that re-

quires all County Departments to use recycled and recyclable materials where feasible. Recycling highlights include the recycling of approximately 36,000 tons of aluminum, ferrous and non-ferrous metal recovered at the Resources Recovery Facility. In addition, drop-off programs at neighborhood Trash and Recycling Centers contributed approximately 6,400 tons.

The Department's Home Chemical Collection (HC2) Centers are the only permanent centers in Miami-Dade County for residents to dispose of small quantities of chemical wastes typically generated by a household. These sites are dedicated to the collection of these wastes and are operated by trained personnel from the Department's Environmental Compliance Division. Additionally, the Centers can be operated by trained personnel from the County's current home chemical waste disposal vendor should the need arise. Materials received are sorted according to flammability, toxicity and corrosiveness, and then stored at the Centers for packaging, transport and disposal by an

appropriate hazardous waste disposal vendor (currently EQ Florida). During fiscal year 2005, at the Home Chemical Collection Centers and mobile events, Miami-Dade residents safely disposed of 160,220 pounds of hazardous wastes and roughly 57,000 gallons of latex paint, which were collected at the Centers. Additionally, residents were able to dispose of household batteries (e.g. Ni-Cd, alkaline, silver, mercury, metal hydride) by participating in the Department's Curb-side Battery Recycling Program. They also disposed of 14,699 gallons of used oil by means of the Used Oil Collection sites at three different Trash and Recycling Centers (Moody Drive, Golden Glades and Snapper Creek) and the HC2 Center. During fiscal year 2005, the Department conducted mobile events at the following sites FIU-North Campus, South Dade Landfill the Home Chemical Center and the City of Homestead Solid Waste Operations yard. Lastly, 686,720 pounds of electronic waste, such as CPUs, computer monitors, TVs, et cetera (collectively termed "e-waste"), were managed through a pilot program



conducted at seven Trash and Recycling Centers and the HC2 Centers.

The Department delivered trash to the County's Resources Recovery Facility to be converted into a marketable biomass fuel. The Recyclable Trash Improvement (RTI) plant has a capacity of 270,000 tons per year. This biomass fuel product is used to power a co-generation facility in the City of South Bay, Florida. Since November 2001 biomass fuel is also delivered to a new customer, Ridge Energy in Auborn-dale, Florida.

The annual amount of biomass fuel produced using the RTI system is contingent upon the facilities' demand for this fuel product. The recyclable trash delivered to the Resources Recovery Facility during fiscal year 2005 was 270,000 tons, which is the minimum required by the contract. The plant is expected to continue at full capacity during fiscal year 2006.

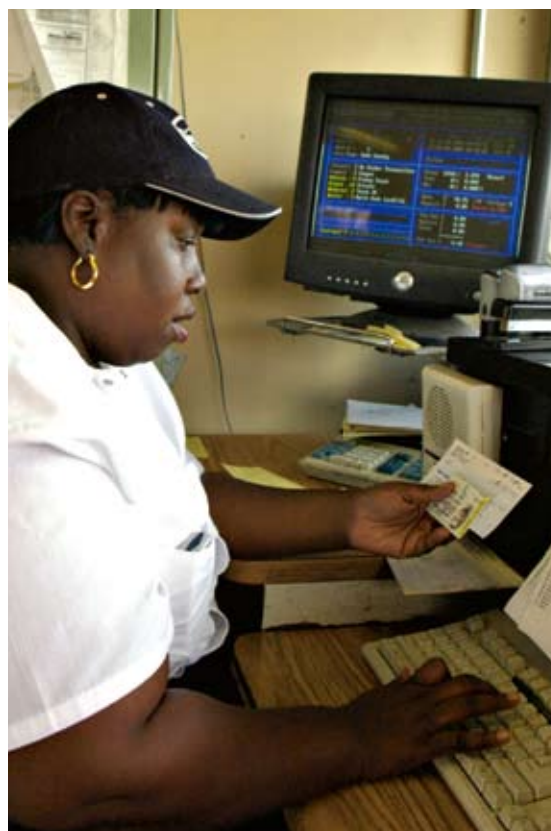
Facilities

Disposal Facilities: The active elements of the solid waste disposal system are the following:

- Resources Recovery Facility owned by the County and operated under a Management Agreement with Montenay-Dade, Ltd., an affiliate of Montenay Power Corp.
- South Dade Landfill, a Class I garbage landfill owned and operated by the County.
- North Dade Landfill, a Class III trash-only landfill owned and operated by the County.
- Ash Landfill owned and operated by the County and located at the Resources Recovery Facility for the final disposition of ash produced by the Resources Recovery process.
- Contract disposal capacity at the Waste Management Landfill located in the Town of Medley, Florida (the "Medley Landfill") or the Central Disposal Facility located in Pompano Beach, Florida (Broward County) owned and operated by Waste Management.

Landfills: The Department operates three landfills: the South Dade Landfill, the North Dade Landfill and the Ash Landfill. The South Dade Landfill is permitted to accept garbage, trash and special wastes such as asbestos, sterile medical wastes, sewage sludge, shredded tires, pathological waste (dead animals), ash and contaminated soil. The North Dade Landfill is permitted to accept only waste that is not expected to produce leachate which poses a threat to public health or the environment, such as trash, yard trash, shredded tires, and construction/demolition debris. The Ash Landfill, which is located at the Resources Recovery Facility, accepts the ash from this facility and some ash from the co-generation facility in the City of South Bay.

Transfer Facilities: The regional transfer facilities are an essential part of the County's integrated solid waste management system, increasing the efficiency of dis-





posal of solid waste generated in the incorporated and unincorporated areas of the County.

The County operates three regional transfer stations: (1) the Northeast Transfer Station, located at 18701 N.E. 6th Avenue west of North Miami Beach; (2) the West Transfer Station, located at 2800 S.W. 72nd Avenue; and (3) the Central Transfer Station, located at 1150 N.W. 20th Street, Miami, Florida. The transfer stations are strategically located throughout the County and are referred to by location as the Northeast Transfer Station, West Transfer Station, and Central Transfer Station.

In addition to the three regional transfer stations, the Department has ongoing transfer operations at the Resources Recovery Facility, North Dade and South Dade Landfills for the transport of waste and waste derived by-products, such as yard trash, tires, rejects, non-processables, process unders, etc., between facilities.

Regulatory Responsibilities

In accordance with the 1985 State of Florida Growth Management Act, the Department must plan for providing a specific level of solid waste service, a process generally referred to as “concurrency.” Under the 1988 State of Florida Solid Waste Management Act, as amended, and certain provisions of the Florida Administrative Code, the Department is responsible for planning to ensure that disposal needs are met in both the incorporated and the unincorporated areas of the County. The County’s System, which includes County-owned solid waste disposal facilities and

those operated under contract with the County for disposal, must collectively maintain a solid waste disposal capacity sufficient to accommodate waste flows committed to the System through long-term interlocal agreements or contracts with municipalities and private waste haulers, and anticipated non-committed waste flows, for a minimum of five (5) years.

The County is required by the United States Environmental Protection Agency (USEPA) and the Florida Department of Environmental Protection (FDEP) to close and perform postclosure care for its landfills in compliance with current regulations. Along with stringent regulations for “capping” and closing landfills, postclosure care of the site is mandated for 30 years after the closure is accepted by USEPA and FDEP. Currently, the County is designing and constructing landfill cell closures in compliance with the FDEP closure program, which has been accepted by the USEPA. During fiscal year 2005, the Department continued its construction and environmental remediation programs for closed landfills.

Budgetary Control

In accordance with the State of Florida Statutes the County prepares, approves, adopts and executes an annual budget for such funds as may be required by law or by sound financial practices. The Board of County Commissioners approves the Department’s annual budget for current expenses and capital outlays. The budgets are adopted on a basis consistent with GAAP, except no amounts are provided for

depreciation, amortization and depletion. Budgets are monitored at various levels of classification details within the Department. Expenses at the fund level may not legally exceed the budgeted appropriation.

Factors Affecting Financial Condition

Local Economy

Last year's ECONOMIC CONDITION AND OUTLOOK ended with a forecast that fiscal year 2005 would be a good year with respect to the economy. In many respects, this forecast proved to be accurate. The national economy continued its positive momentum posting a good performance at an annual growth of 3.5 percent over the previous year. Miami-Dade's economy was also strong, with excellent performance in most of the leading economic indicators. This was especially true for international trade, the visitor industry, and consumer spending.

The economic drivers of Miami-Dade's economy, the visitor industry and national and international trade and commerce, achieved very high activity levels during fiscal year 2005 setting all time records. A relatively robust national economy, coupled with improving economic conditions in the overall global economy, particularly in Europe and Latin America, continued to positively impact the number of visitors and the volume of exports. Total employment continued its steady expansion and there was a continued reduction in the unemployment rate. As will be discussed below, the immediate past year closed with several favorable results that may bode well for the future at a time when the national economy continues to expand.

Last year's increase of 15,100 jobs in nonagricultural wage and salary employment was topped by an even larger one of 22,600 during fiscal year 2005, a 2.2 percent increase. For the third consecutive year, the unemployment rate declined, averaging 4.9 percent for the year compared to 5.7 percent in 2004.

Along with the gains in total employment, over 600 new business establishments of all types were recorded during the 2005 fiscal year, a 0.8 percent increase over the 2004 fiscal year. At the same time, the 2005 median family income increased by \$950 to reach \$46,350, a 2.1 percent advance from the prior year.

Traditionally, in Miami-Dade the real estate sector is viewed as a vital measure of the County's economic health. In fiscal year 2005, the market for existing home sales was at odds with the previous year's achievements. During the past twelve months sales of existing single-family homes declined 4.8 percent from the same period in 2004. In addition, there are indications that sales of existing condominiums followed with similar losses from the prior year. Generally, this downward trend can be attributed to a lessening in overall demand driven by escalating home prices and somewhat to the rise in mortgage interest rates which causing some market cooling off from its strong pace during the last five years.

Following a year of modest changes in office market conditions, the commercial real estate market showed increasing leasing and sales activities during fiscal 2005. The additions to existing office space (square footage) decreased slightly from 41.1 million to 40.9 million or 0.6 percent decline from 2004, but the overall office vacancy rate improved with a decline from 15.8 percent to 12.5 percent.

Consumer activity, as measured by taxable sales, was strong in fiscal year 2005, probably reflecting a higher level of confidence on the part of the consumer. Total taxable sales increased by 11.5 percent. As was true in fiscal year 2004, this indicator in Miami-Dade was below the statewide average.

The 2005 fiscal year was an extraordinary one for international trade, with large increases in both exports and imports. Trade and commerce reported a volume

of merchandise trade through the Miami Customs District (52) totaling nearly \$66 billion, the highest ever. This represents a 12.2 percent increase in total trade in contrast with the 10.7 percent gain in 2004.

Despite the hurricanes, the 2005 fiscal year proved to be a very good year for tourism. For the fourth-consecutive year, an increase in tourism was reported, with a visitor growth of 3.1 percent to the Miami-Dade area.

In fiscal year 2006, the Department will experience the impact of Hurricane Wilma affecting both the Collection and Disposal Systems. The cost of diversion of operations for the storm clean-up effort is estimated to reach approximately \$96 million. The Department projects recovery of 87.5% of these costs from the Federal Emergency Management Agency (FEMA) and the State of Florida. In addition, the Disposal System is expected to reflect additional revenue and the corresponding capacity usage resulting from the impact of the hurricane waste generated by the municipalities for the storm debris removal within city limits. Regular operations in the Collection System are expected to reflect a slight increase in demand for waste collection services based on population growth and the pace of new housing starts for the unincorporated area of the County. Equivalent disposal revenue tons into the Disposal System (excluding hurricane generated tonnage) are projected to remain steady as a function of the Department's long-term inter-local agreements with the municipalities and long-term contracts with private haulers.

Long-term Financial Planning

The fiscal year 2006 Adopted Capital Budget and Multi-Year Capital Plan, as amended, is programmed to require \$44.4 million over the next five fiscal years. These projects include approximately \$13.7 million in groundwater remediation, closure and other environmental projects at the Department's facilities, \$2.1 million for the additional retrofit of the Resources

Recovery Facility, \$11.2 million in other collection and disposal facility improvements, which include landfill cell construction and transfer station improvements and approximately \$17.4 million for certain municipal landfill closure grants. These programs will be funded with operating funds coupled with debt proceeds, when necessary.

Cash Management Policies and Practices

The Department's unrestricted cash is pooled with the County's unrestricted cash and investments, which are managed by the County's Cash Management Division pursuant to Florida Statutes and resolutions of the Board of County Commissioners. These investments consist of US Government and Agency Securities, Certificates of Deposit and Commercial Paper. In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are reported at fair value and unrealized gains and losses due to variations in fair value are included in income for the year.

The investment performance for fiscal years 2005 and 2004 is summarized below (the figures herein exclude "cash with fiscal agent" of approximately \$25.4 million and approximately \$340 thousand of interest earned thereon, in connection with the closure grant transaction and the Sunshine State Loan, Series I):

	2005	2004
	(in thousands)	
Average Portfolio Balance	\$153,805	\$131,305
Average Investment Yield	1.78%	0.91%
Interest Earned	\$2,744	\$1,201

Risk Management

The Department participates in the County's self-insurance programs for workers' compensation, automobile liability and general liability. Insurance is maintained with independent carriers for all other risks of loss. The Department's financial statements for fiscal year 2005 reflect a current payable to the County's self-insurance fund of approximately \$1.7 million.

Pension

The Department, as an enterprise fund of the County, participates in the Florida Retirement System (the "System"/"FRS"), a cost-sharing, multiple-employer public employee retirement plan that covers substantially all of the Department's full-time and part-time employees. The Department contributes a percentage (for fiscal year 2005 estimated at 7.51%) of the Department's covered payroll. For the fiscal year ended September 30, 2005, the Department made 100% of its required contributions.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Department of Solid Waste Management, a Department of Miami-Dade County, Florida, for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2004. This was the eleventh consecutive year that the Department has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current compre-

hensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

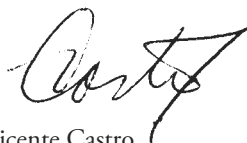
Acknowledgements

This report could not have been prepared on a timely basis without the efficiency and dedication of the Department's Accounting staff. We are grateful to all Department employees who assisted and contributed to its preparation. We thank the County's Finance Department for their assistance and support. We would also wish thank the Mayor, the Miami-Dade County Commissioners and the County Manager for their continued assistance in enabling the Department to fulfill its role in delivering a highly efficient and effective countywide integrated solid waste service to the community.

Respectfully submitted,



Kathleen Woods-Richardson
Director



Vicente Castro
Deputy Director



Maria Sanchez, CPA
Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Department of Solid Waste
Management, A Department of
Miami-Dade County, Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2004

A Certificate of Achievement for Excellence in Financial
Reporting is presented by the Government Finance Officers
Association of the United States and Canada to
government units and public employee retirement
systems whose comprehensive annual financial
reports (CAFRs) achieve the highest
standards in government accounting
and financial reporting.



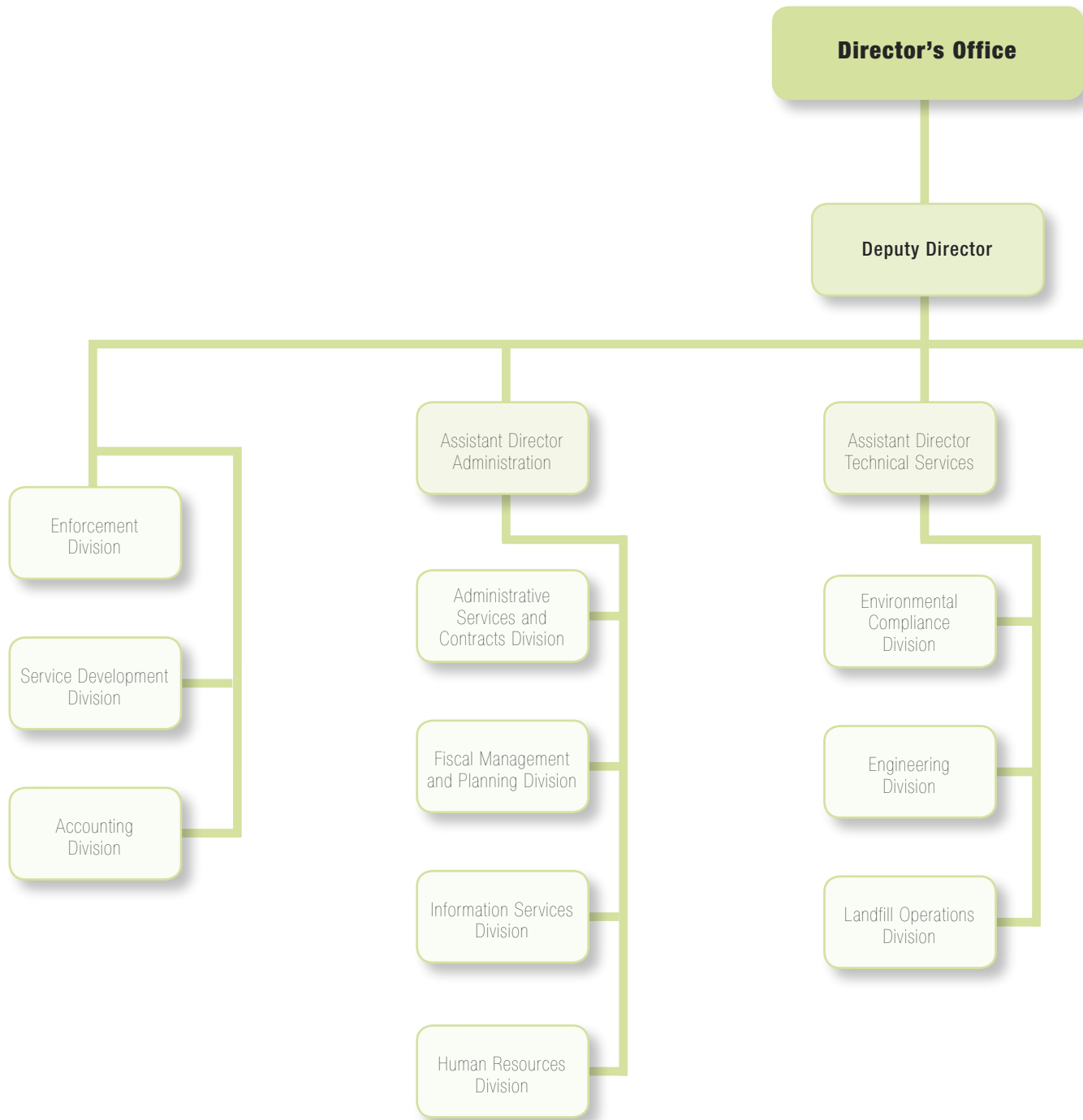
Carla E. Perry

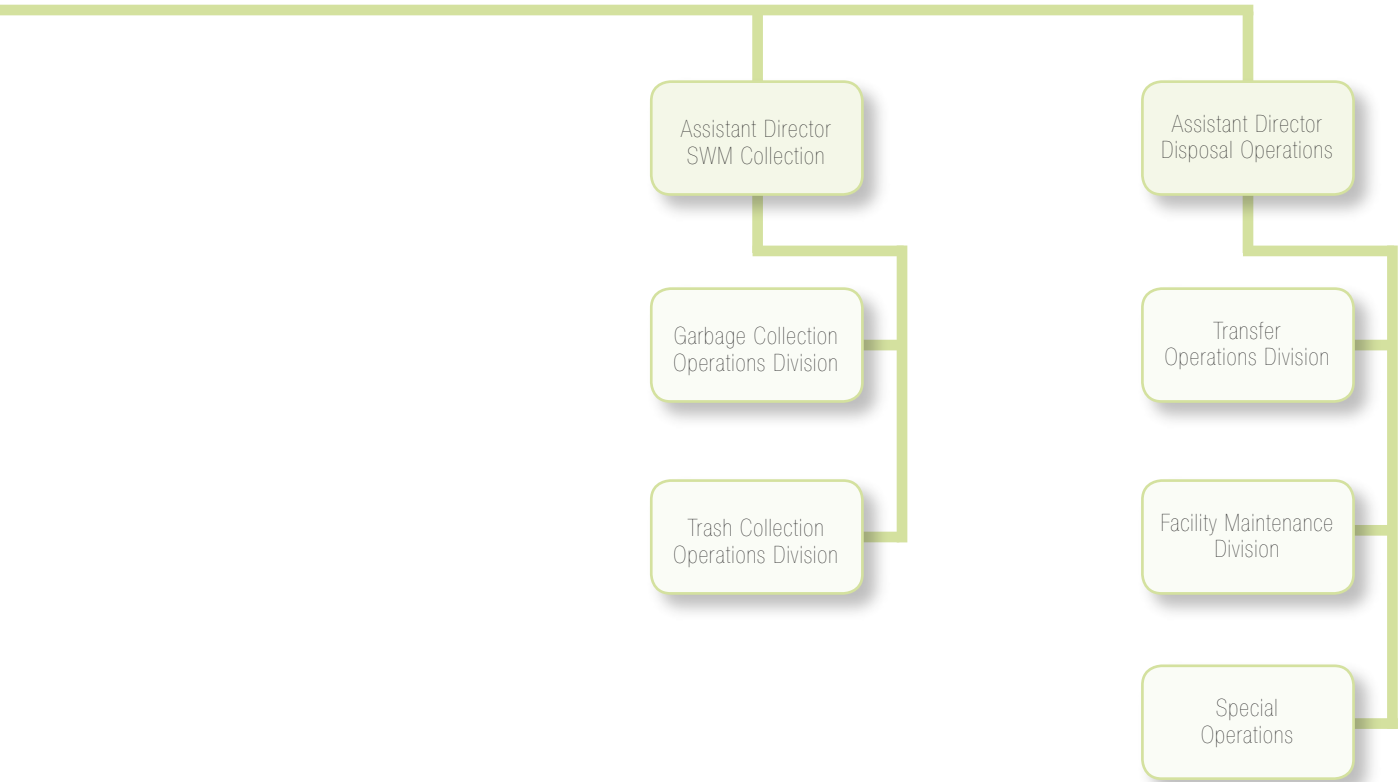
President

Jeffrey R. Emer

Executive Director

Miami-Dade County Department of Solid Waste Management Organizational Chart







FINANCIAL SECTION





KPMG LLP
Suite 2800
One Biscayne Tower
Two South Biscayne Boulevard
Miami, FL 33131

Independent Auditor's Report

The Honorable Mayor, and Chairperson, and
Members of the Board of County Commissioners
Miami-Dade County, Florida:

We have audited the accompanying financial statements of the Miami-Dade County Department of Solid Waste Management (the Department), an enterprise fund of Miami-Dade County, Florida, as of and for the year ended September 30, 2005, as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit. The accompanying financial statements of the Department as of September 30, 2004, were audited by other auditors whose report thereon dated December 29, 2004, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in note 1, the financial statements present only the Department and do not purport to, and do not, present fairly the financial position of Miami-Dade County, Florida, as of September 30, 2005, and the changes in its financial position, or, where applicable, its cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Miami-Dade County Department of Solid Waste Management, an enterprise fund of Miami-Dade County, Florida, as of September 30, 2005, and the changes in financial position, and cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in note 13(i) to the financial statements, the Department adopted the provision of Governmental Accounting Standards Board Statement No. 40, *Deposits and Investment Risk Disclosures*.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2006 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal



control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 4 through 28 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Department. The introductory section, supplementary financial information section and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary financial information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

February 17, 2006
Certified Public Accountants



Management's Discussion and Analysis

The Miami-Dade County, Florida (the "County"), Department of Solid Waste Management (the "Department", "DSWM") presents the following Management's Discussion and Analysis (MD&A). Our discussion of the Department's financial performance provides an overview of the financial activities for the fiscal years ended September 30, 2005 and 2004. The information presented in this MD&A should be considered in conjunction with the information furnished in the Letter of Transmittal included in the Introductory Section, the Department's financial statements in this section and the various summaries of activities and financial performance included in the Supplemental Schedules (supplementary financial information) and the Statistical Section of this report.

Highlights

Financial Highlights

Fiscal Year 2005

- At September 30, 2005, the assets of the Department exceeded its liabilities by \$112.6 million ("net assets") as compared to \$ 119.4 million at September 30, 2004. Of the total \$112.6 million in net assets as of September 30, 2005, \$52 million was invested in capital assets, net of related debt; \$101.8 million was restricted for debt service, closure grant and reserves; the remaining \$41.2 million negative balance was left as unrestricted net deficit.
- Total net assets decreased by \$6.8 million, reflecting expenses and contributions made in excess of revenues for the fiscal year ended September 30, 2005.
- For the fiscal year ended September 30, 2005, the Department's operating revenues increased by \$25.8million.
- For the fiscal year ended September 30, 2005:
 - Operating expenses before depreciation and closure and postclosure care costs for the Inactive landfills increased \$14.2 million.
 - Depreciation expense increased \$2.1 million.
 - Closure and postclosure care costs for inactive landfills increased \$104 thousand.
 - Non-operating expenses net of revenues increased \$12.8 million.
- The Department's bonds and notes payable increased by \$74.6 million during the fiscal year ended September 30, 2005

Fiscal Year 2004

- At September 30, 2004, the assets of the Department exceeded its liabilities by \$119.4 million ("net assets") as compared to \$ 122.8 million at September 30, 2003. Of the total \$119.4 million in net assets as of September 30, 2004, \$94.8 million was invested in capital assets, net of related debt; \$73.7 million was restricted for debt service and reserves; the remaining \$49.1 million negative balance was left as unrestricted net deficit.
- Total net assets decreased by \$3.4 million, reflecting expenses in excess of revenues for the fiscal year ended September 30, 2004.

- For the fiscal year ended September 30, 2004, the Department's operating revenues increased by \$17.8 million.
- For the fiscal year ended September 30, 2004:
 - Operating expenses before depreciation and closure and postclosure care costs for the inactive landfills increased \$5.5 million.
 - Depreciation expense increased \$2.5 million.
 - Closure and postclosure care costs for inactive landfills decreased \$156 thousand.
 - Non-operating expenses net of revenues decreased \$434 thousand.
 - Contributed capital decreased \$973 thousand.
- The Department's bonds and notes payable decreased by \$8 million during the fiscal year ended September 30, 2004.

Department of Solid Waste Management's Highlights

Fiscal Year 2005

- During the fiscal year ended September 30, 2005, the Department serviced approximately 307,000 residential units, approximately 3,700 household/commercial accounts and approximately 900 commercial accounts. This represents an overall increase of 2.3% over the fiscal year ended September 30, 2004.
- The annual fee for curbside collection remained at \$399 per household in fiscal year 2005.
- During fiscal year ended September 30, 2005, disposal equivalent revenue tons totaled approximately 2.03 million tons, a 13.4% increase when compared to the fiscal year ended September 30, 2004.
- The disposal contract tipping fee was \$52.25 per ton during the fiscal year ended September 30, 2005, an increase of 3.16% over the fiscal year ended September 30, 2004.
- The Department completed \$3.9 million in capital and landfill closure projects during fiscal year 2005.

Fiscal Year 2004

- During the fiscal year ended September 30, 2004, the Department serviced approximately 300,000 residential units, approximately 3,700 household/commercial accounts and approximately 800 commercial accounts. This represents an overall increase of 2.3% over the fiscal year ended September 30, 2003.
- The annual fee for curbside collection was increased to \$399 per household in fiscal year 2004 from \$349 per household in fiscal year 2003.
- During fiscal year ended September 30, 2004, disposal equivalent revenue tons totaled approximately 1.79 million tons, a 3.7% decrease when compared to the fiscal year ended September 30, 2003.
- The disposal contract tipping fee was \$50.65 per ton during the fiscal year ended September 30, 2004, an increase of 2% over the fiscal year ended September 30, 2003.
- The Department completed \$2 million in capital and landfill closure projects during fiscal year 2004.



Overview of the Financial Statements

This discussion and analysis section is intended to serve as an introduction to the Department's financial statements with the notes thereto. The notes to the financial statements are essential for a full understanding of the information contained in the financial statements.

The Department's Financial Statements report information about the Department using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. These financial statements include the financial position, results of operations and cash flows of both the Disposal and Collection Systems. Supplemental financial data for each of these systems is provided elsewhere in this report.

The Statements of Net Assets include all of the Department's assets and liabilities providing information about the nature and amounts of resources (assets) and obligations to creditors (liabilities) with the difference between the two reported as net assets at September 30, 2005 and 2004, respectively. The increases and decreases in net assets may serve as a valuable indicator of whether the financial position of the Department is improving or deteriorating. These statements also provide the basis for assessing the liquidity and financial flexibility of the Department along with its capital structure.

All of the Department's revenues and expenses are reflected on the Statements of Revenues, Expenses and Changes in Fund Net Assets for the fiscal years ended September 30, 2005 and September 30, 2004, respectively. These statements measure the level of success by the Department's operations in fiscal years 2005 and 2004, respectively. They can be used to evaluate the Department's profitability and credit worthiness and to determine whether the Department has successfully recovered all its costs through its user fees and other charges.

The Department's Statements of Cash Flows provide information about the Department's cash receipts and cash disbursements during the fiscal years ended September 30, 2005 and 2004, respectively. These statements report sources, uses and net changes in cash resulting from operating, investing, capital and non-capital financing activities.

Financial Analysis of the Department

As previously mentioned, the Statements of Net Assets and the Statements of Revenue, Expenses and Changes in Fund Net Assets reflect information about the Department's activities, which may serve as a useful indicator of whether the financial position of the Department is improving or deteriorating. These two set of statements report the net assets of the Department and changes in them. The difference between assets and liabilities is one way to measure financial health or financial position. Over time, increases or decreases in the Department's net assets are one indicator of whether its financial health is improving or deteriorating. In addition, consideration must be given to non-financial factors including but not limited to population growth, economic conditions, changes in regulatory requirements and legislation.

The analysis below focuses on the Department's net assets (Table I) at the end of the fiscal years 2005, 2004 and 2003 and changes in net assets (Table II) during the fiscal years 2005, 2004 and 2003.

The Department's assets exceeded liabilities by \$112.6 million, \$119.4 million and \$122.8 million at September 30, 2005, 2004 and 2003, respectively.

(THIS SECTION LEFT BLANK INTENTIONALLY)



A summary of the Department's statements of net assets at September 30, (Table I) is shown below:

TABLE I

Net Assets

	At September 30,		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
	<i>(In thousands)</i>		
ASSETS			
CURRENT ASSETS			
Total Unrestricted Assets	\$ 110,307	\$ 50,954	\$ 46,761
Total Restricted Assets	18,958	16,566	16,474
Total Current Assets	129,265	67,520	63,235
NON-CURRENT ASSETS			
Total Restricted Assets	140,099	76,765	74,040
Total Capital Assets	247,795	253,041	273,704
Total Other Assets	10,338	14,096	11,750
Total Non-Current Assets	398,232	343,902	359,494
TOTAL ASSETS	527,497	411,422	422,729
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Total Payable from Unrestricted Assets	53,420	16,841	18,184
Total Payable from Restricted Assets	18,958	16,566	16,474
Total Current Liabilities	72,378	33,407	34,658
LONG-TERM LIABILITIES			
Total Long-Term Liabilities	342,511	258,641	265,305
TOTAL LIABILITIES	414,889	292,048	299,963
NET ASSETS			
Investment in Capital Assets, net of Related Debt	51,983	94,847	107,846
Restricted	101,847	73,663	70,143
Unrestricted (Deficit)	(41,222)	(49,136)	(55,223)
TOTAL NET ASSETS	\$ 112,608	\$ 119,374	\$ 122,766

Fiscal Year 2005

As of September 30, 2005, capital assets such as land, buildings, construction in progress, machinery and equipment (net of any debt outstanding used to acquire these assets) constituted 46% of the Department's net assets.

The Department uses these assets to provide services to customers; therefore, these assets are not available for future spending. It should be noted that while these capital assets are reported net of related debt, the resources required to repay this debt must be provided annually from operations, since it is unlikely the capital assets themselves will be liquidated to pay these liabilities. Total invested in capital assets, net of related debt decreased to \$52 million at September 30, 2005, from \$94.8 million at September 30, 2004. This decrease reflects the combined effects of capital assets additions, capital assets deletions, deductions for the increase in accumulated depreciation and the increase in the related debt. Additional information concerning the Department's capital assets and long-term debt can be found in Notes 3 and 4 of the financial statements.

An additional portion of the Department's net assets represents resources that are subject to external restrictions on how they may be used. At September 30, 2005, total restricted net assets amounted to \$101.8 million as compared to \$73.7 million at September 30, 2004. This increase reflects higher balances in the Department's debt service account, groundwater protection receivable account, operating expense reserve fund and the closure grant. Additional information concerning the Department's restricted assets can be found in Note 5 of the financial statements.

The remaining negative balance of \$41.2 million at September 30, 2005, is reported as unrestricted net deficit. This negative balance resulted from the Department's ongoing recognition of the liability for closure and postclosure care costs. Unrestricted net assets generally represent balances, which may be used to meet the Department's obligations to customers, employees and creditors. This negative balance decreased from \$49.1 million at September 30, 2004, reflecting the benefits of higher balances in unrestricted current assets which were partially offset by lower balances in other assets, higher balances in payable from unrestricted assets, higher balances in other long-term liabilities and liability for closure and postclosure care costs at September 30, 2005. Additional information concerning the Department's liability for closure and postclosure care costs can be found in Note 9 of the financial statements.

Fiscal Year 2004

The Department's assets exceeded liabilities by \$119.4 million and \$122.8 million at September 30, 2004 and 2003, respectively.

As of September 30, 2004, capital assets such as land, buildings, construction in progress, machinery and equipment (net of any debt outstanding used to acquire these assets) constituted the majority (79%) of the Department's net assets. The Department uses these assets to provide services to customers; therefore, these assets are not available for future spending. It should be noted that while these capital assets are reported net of related debt, the resources required to repay this debt must be provided annually from operations, since it is unlikely the capital assets themselves will be liquidated to pay these liabilities. Total invested in capital assets, net of related debt decreased to \$94.8 million at September 30, 2004, from \$107.8 million at September 30, 2003. This decrease reflects the combined effects of capital assets additions, capital assets deletions, deductions for the increase in accumulated depreciation and the decrease in the related debt. Additional information concerning the Department's capital assets and long-term debt can be found in Notes 3 and 4 of the financial statements.

An additional portion of the Department's net assets represents resources that are subject to external restrictions on how they may be used. At September 30, 2004, total restricted net assets amounted to \$73.7 million



as compared to \$70.1 million at September 30, 2003. This increase reflects higher balances in the Department's debt service account, groundwater protection receivable account and operating expense reserve fund. Additional information concerning the Department's restricted assets can be found in Note 5 of the financial statements.

The remaining negative balance of \$49.1 million at September 30, 2004, is reported as unrestricted net deficit. This negative balance resulted from the Department's ongoing recognition of the liability for closure and post-closure care costs. Unrestricted net assets generally represent balances, which may be used to meet the Department's obligations to customers, employees and creditors. This negative balance decreased from \$55.2 million at September 30, 2003, reflecting the benefits of higher balances in unrestricted current assets and other assets coupled with lower balances in payable from unrestricted assets which were partially offset by higher balances in other long-term liabilities and liability for closure and postclosure care costs at September 30, 2004. Additional information concerning the Department's liability for closure and postclosure care costs can be found in Note 9 of the financial statements.

(THIS SECTION LEFT BLANK INTENTIONALLY)

Changes in the Department's net assets can be established upon review of the summary of the Department's statements of revenues, expenses and changes in fund net assets for the fiscal years ended September 30, (Table II) shown below:

TABLE II

Changes in Fund Net Assets

	For Fiscal Years Ended September 30,		
	2005	2004 <i>(In thousands)</i>	2003
Operating revenues			
Solid waste disposal services	\$ 75,248	\$ 53,781	\$ 53,235
Solid waste collection services	125,184	123,224	104,785
Utility service fees	16,657	15,798	14,824
Electricity sales	17,504	16,593	19,195
Other operating revenues	13,122	12,576	12,103
Total operating revenues	247,715	221,972	204,142
Interest income	3,084	1,201	1,958
Intergovernmental revenue		260	429
Other non-operating revenue, net		789	259
Total Revenues	250,799	224,222	206,788
Operating expenses excluding depreciation and closure & postclosure care costs for inactive landfills	204,431	190,266	184,791
Depreciation	30,010	27,913	25,356
Closure & postclosure care costs for inactive landfills	746	642	798
Interest expense	8,743	8,793	9,623
Closure grant	6,453		
Other non-operating expense, net	7,182		
Total Expenses	257,565	227,614	220,568
Loss Before Capital Contributions	(6,766)	(3,392)	(13,780)
Contributions			973
Changes in Net Assets	(6,766)	(3,392)	(12,807)
Total Net Assets, beginning of the year	119,374	122,766	135,573
Total Net Assets, end of the year	\$ 112,608	\$ 119,374	\$ 122,766

Total net assets decreased by \$6.8 million and \$3.4 million in fiscal years 2005 and 2004, respectively.



Historically, operating revenues generated by the System have included solid waste disposal services revenues, solid waste collection services revenues, utility service fees, electrical revenues from the Resources Recovery Facility and other operating revenues. Other operating revenues include disposal facility fees, office rental income, parking facilities revenue, code enforcement fines, permit fees, Unincorporated Municipal Service Area (UMSA) support for the litter program and other miscellaneous income.

Fiscal Year 2005

Operating revenues increased 11.6% from \$221.9 million in fiscal year 2004 to \$247.7 million in fiscal year 2005, reflecting increases in most operating revenue categories but primarily as a result of higher Solid Waste Disposal Services Revenues.

Disposal Services Revenues increased to \$75.2 million in the fiscal year ended September 30, 2005 from \$53.8 million in fiscal year 2004. This increase resulted from higher equivalent revenue tons coupled with higher disposal tipping fees. Equivalent revenue tons increased from 1.79 million in the fiscal year ended September 30, 2004 to 2.03 million in fiscal year ended September 30, 2005. The increase in equivalent revenue tons in fiscal year 2005, when compared to fiscal year 2004, is primarily attributed to the storm related waste received as of September 30, 2005 (accounting for 97% of the increase). Disposal tipping fees are collected from all users of the County's solid waste disposal facilities. Disposal tipping fees increased from fiscal year 2004 to fiscal year 2005, as follows: \$50.65 per ton to \$52.25 per ton for contractual customers; from \$66.80 per ton to \$68.90 per ton for non-contractual customers; and from \$10.05 per ton to \$10.35 per ton for the additional fee paid by those customers utilizing the Department's transfer stations.

Solid Waste Collection Services Revenues increased 1.6% from \$123.2 million in the fiscal year 2004 to \$125.2 million in the fiscal year 2005. This increase in collection services revenue reflects the effect of higher waste collection units serviced in fiscal year 2005 partially offset by a decline in the revenue provided by landscapers disposing of waste directly at the landfill (pursuant to the Landscaper Program). In fiscal year 2005, the revenue from Landscapers' activity at the landfill was recognized as Disposal Services Revenues. Landscapers disposing at the landfill contributed \$1.8 million, representing approximately 53,000 tons, of the \$2.5 million in Landscaper revenue recognized as Collection Services Revenues in fiscal year 2004; Landscapers' activity at the landfill tonnage totaled approximately 36,000 tons in fiscal year 2005. Collection services revenues are derived primarily from the curbside collection of garbage and trash. Fees for collection services remained at the same level as in fiscal year 2004, as follows: \$399 per household for residential curbside collection, \$308 per unit for residential dumpster service, the rollaway service ranged from \$214.60–\$869.25 depending on ownership, frequency of service and container size. During the fiscal year ended September 30, 2005, the Department serviced approximately 307,000 residential (household) units, approximately 3,700 household/commercial accounts and approximately 900 commercial accounts as compared to approximately 300,000 residential (household) units, approximately 3,700 household/commercial accounts and approximately 800 commercial accounts during the fiscal year ended September 30, 2004.

Utility Service Fee Revenues increased 5.7% to \$16.7 million in fiscal year 2005 from \$15.8 million in the fiscal year ended September 30, 2004. The utility service fee is a fee assessed Countywide on water and wastewater bills. It is intended to provide a stable source of funding for groundwater protection activities related to the landfills in the System. These activities include, but are not limited to, ground water remediation, landfill closure and related 30 years postclosure care. The County, beginning with fiscal year 1996, increased the existing utility service fee collected on water and wastewater bills from 4% to 7.5%. The increase of 3.5% was assigned to the Department.

Electricity Sales increased to \$17.5 million in fiscal year 2005 from \$16.5 million in the fiscal year ended September 30, 2004, reflecting the combined effect of lower number of kilowatt hours produced, partially offset by higher capacity payments and energy payment rates. The reduction in kilowatt hours produced (approximately 17,305,000 KWH) resulted from higher than normal unscheduled boiler downtime coupled with the effects of damages to the cooling tower by Hurricane Katrina. Electrical revenues are generated pursuant to agreements with the Florida Power Corporation (“FPC”) and Florida Power and Light Company (“FP&L”) for the sale of electricity generated at the Resources Recovery Facility. These revenues from FPC, net of costs to FP&L for services in connection with transmission, interconnection and Doral substation and others, are shared equally with the Facility’s Operator.

Other operating revenues increased to \$13.1 million in fiscal year 2005 from \$12.6 million in fiscal 2004. Other revenues include Disposal Facility Fee revenues, office rental income, parking lot facilities revenue, code enforcement fines, permit fees, UMSA revenue for litter control and other. The increase resulted primarily from higher Disposal Facility Fee revenues in fiscal 2005.

Fiscal Year 2004

Operating revenues increased 8.7% from \$204.1 million in fiscal year 2003 to \$221.9 million in fiscal year 2004, reflecting increases in most operating revenue categories but primarily as a result of higher Solid Waste Collection Services Revenues.

Disposal Services Revenues increased moderately to \$53.8 million in the fiscal year ended September 30, 2004 from \$53.2 million in fiscal year 2003. This increase resulted from higher disposal tipping fees, which were partially offset by lower equivalent revenue tons. Equivalent revenue tons decreased from 1.86 million in the fiscal year ended September 30, 2003 to 1.79 million in fiscal year ended September 30, 2004. The decline in equivalent revenue tons in fiscal year 2004, when compared to fiscal year 2003, is primarily attributed to the landscaper tonnage that left the system upon implementation of the Landscaper Program. Prior to the implementation of the Landscaper Program (fiscal year 2004 was the first year of the Program), the Department was experiencing infiltration of landscaper tonnage (this had an adverse effect on the collection system which had to carry the resulting disposal charges). Once the landscapers were precluded from disposing without having to pay, some of them left the system. Disposal tipping fees are collected from all users of the County’s solid waste disposal facilities. Disposal tipping fees increased from fiscal year 2003 to fiscal year 2004, as follows: \$49.65 per ton to \$50.65 per ton for contractual customers; from \$65.45 per ton to \$66.80 per ton for non-contractual customers; and from \$9.85 per ton to \$10.05 per ton for the additional fee paid by those customers utilizing the Department’s transfer stations.

Solid Waste Collection Services Revenues increased 17.6% from \$104.8 million in the fiscal year 2003 to \$123.2 million in the fiscal year 2004. This increase in collection services revenue reflects the combined effect of higher waste collection fees and higher waste collection units serviced in fiscal year 2004 combined with the revenue provided by implementation of the Landscaper Program (resulting in approximately \$2.5 million in revenues for fiscal year 2004, the first fiscal year for the program). This program was designed to alleviate the trash tonnage infiltration into the Collection System through the Neighborhood Trash & Recycling (“T&R”) Centers, which contributed to the growth in solid waste collection costs in previous fiscal years. Collection services revenues are derived primarily from the curbside collection of garbage and trash. Fees for collection services increased from fiscal year 2003 to fiscal year 2004, as follows: \$349 per household to \$399 per household for residential curbside collection, \$269 per unit to \$308 per unit for residential dumpster service, the rollaway service increased from the \$187.71-\$760.32 range to the \$214.60-\$869.25 range depending on ownership,



frequency of service and container size. During the fiscal year ended September 30, 2004, the Department serviced approximately 300,000 residential (household) units, approximately 3,700 household/commercial accounts and approximately 800 commercial accounts as compared to approximately 293,000 residential (household) units, approximately 3,700 household/commercial accounts and approximately 900 commercial accounts during the fiscal year ended September 30, 2003.

Utility Service Fee Revenues increased 6.7% to \$15.8 million in fiscal year 2004 from \$14.8 million in the fiscal year ended September 30, 2003. The utility service fee is a fee assessed Countywide on water and wastewater bills. It is intended to provide a stable source of funding for groundwater protection activities related to the landfills in the System. These activities include, but are not limited to, ground water remediation, landfill closure and related 30 years postclosure care. The County, beginning with fiscal year 1996, increased the existing utility service fee collected on water and wastewater bills from 4% to 7.5%. The increase of 3.5% was assigned to the Department.

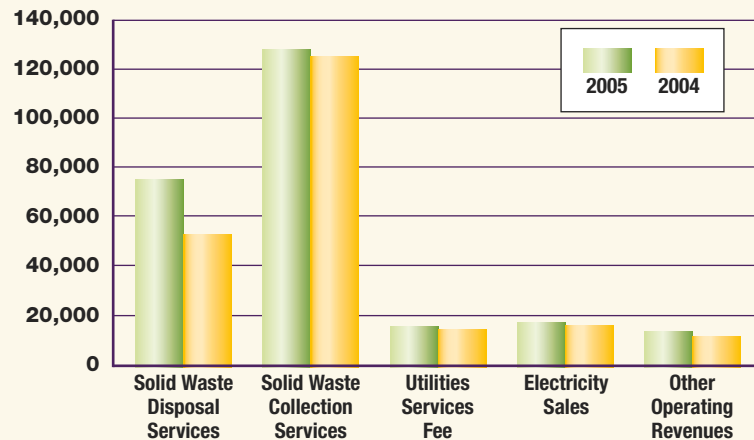
Electricity Sales decreased to \$16.5 million in fiscal year 2004 from \$19.2 million in the fiscal year ended September 30, 2003, reflecting the combined effect of lower number of kilowatt hours produced, partially offset by higher capacity payments and energy payment rates. The reduction in kilowatt hours produced (approximately 46,535,000 KWH) resulted primarily from operating interruptions caused by several small fires and a water leak in the cooling tower return line which ultimately caused the plant to shut down for several days. Electrical revenues are generated pursuant to agreements with the FPC and FP&L for the sale of electricity generated at the Resources Recovery Facility. These revenues from FPC, net of costs to FP&L for services in connection with transmission, interconnection and Doral substation and others, are shared equally with the Facility's Operator.

Other operating revenues increased to \$12.6 million in fiscal year 2004 from \$12.1 million in fiscal 2003. Other revenues include Disposal Facility Fee revenues, office rental income, parking lot facilities revenue, code enforcement fines, permit fees, UMSA revenue for litter control and other. The increase resulted from higher Permit and Disposal Facility Fee revenues in fiscal 2004.

The following chart shows a comparison of operating revenues by source for the fiscal years ending September 30, 2005 and 2004.

Operating Revenues

(Dollar Amount in Thousands)



Operating expenses are costs incurred in the operation and maintenance of the System, including the expenses for landfill operations, fees paid to the Resources Recovery Facility Operator for disposal of solid waste at the Resources Recovery Facility, transfer operations, garbage and trash collections, recycling, litter control, facility maintenance, county wide lot clearing, enforcement and environmental compliance and administration. Expenses of the System are paid prior to the payment or provision for payment of the principal and interest on the Department's bonds payable.

Fiscal Year 2005

Operating expenses prior to depreciation expense and closure and postclosure care costs for inactive landfills increased by \$14.1 million to \$204.4 million in fiscal year 2005, from \$190.3 million in fiscal year 2004.

A summary of the Department's Operating Expenses Prior to Depreciation Expense and Closure & Postclosure Care Costs for Inactive Landfills for the years ended September 30, 2005 and 2004, respectively, indicating the amount of change is as follows (Table III):

TABLE III

Summary of Operating Expenses Prior to Depreciation Expense and Closure and Postclosure Care for Inactive Landfills

for the Fiscal Years Ended September 30, 2005 and 2004, respectively, indicating the amount of change.

	<u>2005</u>	<u>2004</u>	<u>Increase/ (Decrease)</u>
		<i>(In thousands)</i>	
Landfill & disposal operations, net of change in closure & postclosure care cost estimates for active landfills	\$ 21,299	\$ 13,992	\$ 7,307
Waste-to-energy	64,191	64,748	(557)
Transfer operations	24,601	24,844	(243)
Garbage collection	35,213	34,415	798
Trash collection	16,113	13,186	2,927
Recycling	11,188	10,175	1,013
Litter control & County wide lot clearing	1,675	1,499	176
Facility maintenance	1,068	1,065	3
Enforcement and environmental compliance	6,019	6,111	(92)
General and administrative	23,064	20,231	2,833
Total	<u>\$ 204,431</u>	<u>\$ 190,266</u>	<u>\$ 14,165</u>

The net \$14.1 million increase in operating expenses prior to depreciation expense and closure and postclosure care costs for inactive landfills reflects the combined effect of increases in some operating expense components partially offset by decreases in others. Increases in landfill and disposal operations, garbage and trash collection, recycling, litter control and county wide lot clearing and general and administrative costs totaling \$15 million were offset slightly by decreases in waste to energy, transfer operations, and enforcement and environmental compliance costs totaling \$900 thousand.

A significant portion of the \$15 million increase (included in the \$14.1 million net increase) is attributed to landfill and disposal operations increases of \$7.3 million. The increase in landfill & disposal operations reflects the effects of closure and postclosure care cost for active landfills amortization from a \$1.5 million in fiscal year 2004 to approximately \$9 million in fiscal 2005 (arising from changes in closure and postclosure estimates coupled with higher capacity used during fiscal year 2005). Trash collection costs increased approximately \$2.9 million reflecting higher personnel costs and charges for county services reflecting higher fuel and equipment repair costs. The increase in trash collection costs is associated with the increase in service to residential customers from one to two annual bulky pickups. General and administrative costs increased approximately \$2.8 million reflecting higher charges for county services reflecting higher internal audit fees, data processing and information technology

charges, higher rental, higher printing costs and higher bad debt expense. Rental expenses include the rent charges for the administrative offices located in the Dr. Martin Luther King, Jr. Office Plaza. Recycling costs increased approximately \$1 million reflecting higher rates paid to the contractor combined with higher volume of units serviced by curbside recycling. Garbage collection costs increased approximately \$800 thousand reflecting higher personnel costs, temporary help costs and charges for county services reflecting higher fuel and equipment repair costs. Litter and county wide lot clearing expenses increased approximately \$200 thousand reflecting higher personnel charges. Higher personnel charges reflect the combined effects of cost of living adjustments (COLA), merit increases and labor contracts. Additional information concerning the Department's closure and postclosure care costs for active landfills can be found in Note 9 of the financial statements.

Other operating expense components reflected decreases totaling \$900 thousand in fiscal year 2005 as compared to fiscal year 2004. Approximately \$600 thousand of the total \$900 thousand resulted from decreases in waste to energy costs (reflecting lower contractual services costs and lower tipping fees associated with lower levels of on site waste processed in fiscal year 2005), \$200 thousand from decreases in transfer costs (reflecting lower personnel and contractual services costs) and \$100 thousand in enforcement and environmental compliance costs reflecting the decrease of expenses associated with grant activity which ceased in fiscal year 2004.

(THIS SECTION LEFT BLANK INTENTIONALLY)

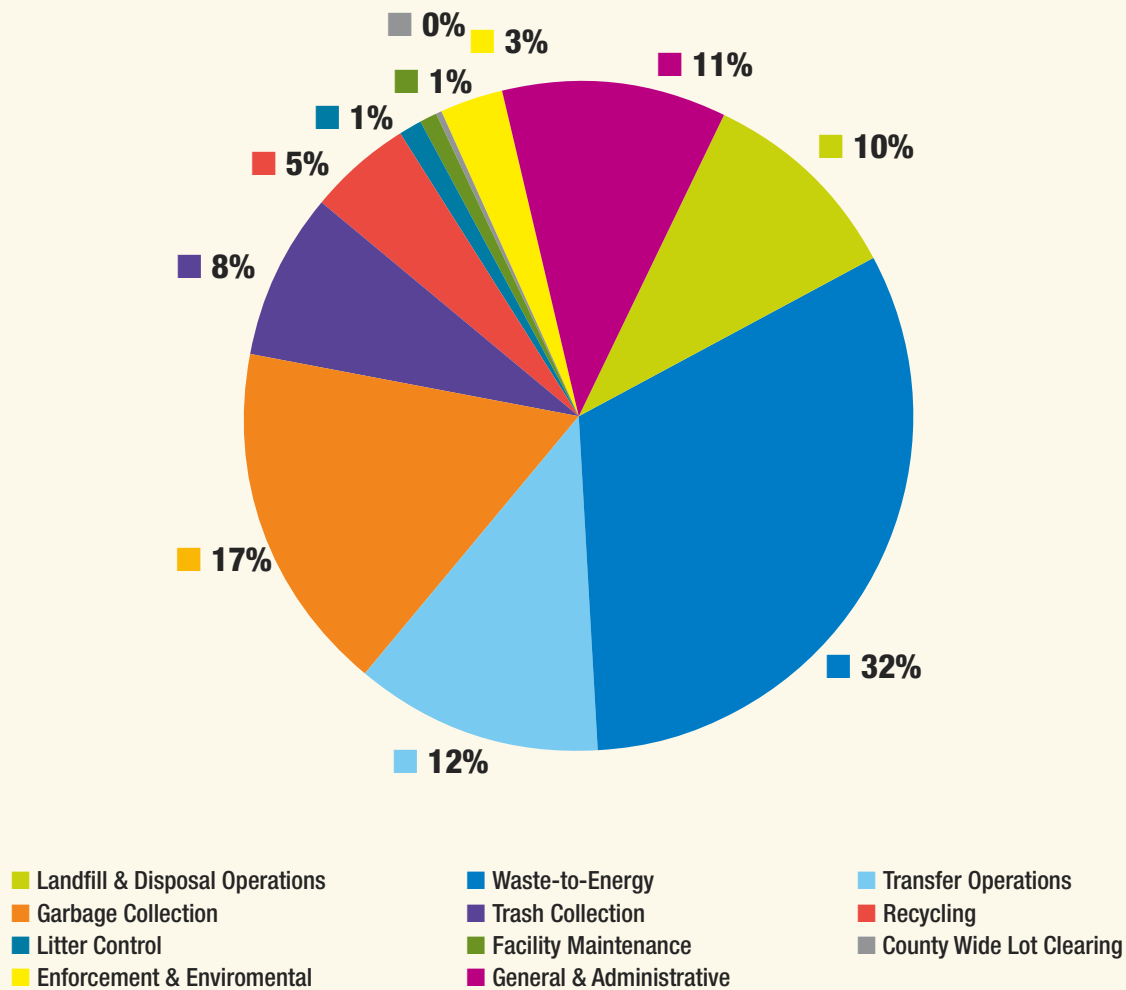


The following chart shows operating expenses before depreciation and costs for closure and postclosure care for inactive landfills for the fiscal year ended September 30, 2005.

Operating Expenses Before Depreciation and Closure and Postclosure Care Costs for Inactive Landfills

(As a Percentage of Total)

Fiscal Year 2005



Depreciation expense increased from \$27.9 million in fiscal year 2004 to \$30 million in fiscal year 2005. The increase resulted from additions in fiscal year 2005 to depreciable property plant and equipment, including the depreciation expense attributable to contributed assets, combined with the effects of cells found fully depleted in fiscal year 2005. Additional information concerning the Department's depreciation policy can be found in Note 1 of the financial statements and additional information concerning the Department's property plant and equipment can be found in Note 3 of the financial statements.

Changes in estimates for closure and postclosure care for inactive landfills in fiscal year 2005 resulted in an expense of approximately \$700 thousand as compared to an expense of approximately \$700 thousand in fiscal year 2004. This component includes expenses associated with the closure and postclosure care of the Main Landfill at N. W. 58th Street (Main) and the assumption of responsibility for the closure and postclosure care of the Old South Dade Landfill site (OSD) and the Ojus Landfill (Ojus). OSD and Ojus have been undergoing closure enhancements. The approximately \$700 thousand expense in fiscal year 2005 reflects the combined effects of approximately \$500 thousand in postclosure care estimates for the Old South Dade Landfill site with approximately \$200 thousand in the postclosure care estimates for the Main Landfill. The changes in estimates resulted from the Department's postclosure care experience. Additional information concerning the Department's closure and postclosure care costs for inactive landfills can be found in Note 9 of the financial statements.

Non- operating expenses net of revenues in fiscal year 2005 totaled \$19.3 million, as compared to \$6.5 million in fiscal year 2004. This expense increase of \$12.8 million resulted from the combined effect of changes in several components as follows: interest income increased \$1.9 million, interest expense decreased \$50 thousand, intergovernmental revenue decreased \$260 thousand, closure grant (expense) increased \$6.5 million and other non-operating expense net of revenue increased \$8 million. The closure grant expense of \$6.5 million represents approved disbursements (out of the total \$31 million grant) to the City of North Miami for closure of the Munisport Landfill. The \$8 million increase in other non-operating expense net of revenue primarily reflects the effects of the Department's share of Hurricane Katrina costs of approximately \$5.2 million. The Department incurred approximately \$54 million in costs related to the diversion of operations for the Hurricane Katrina clean-up efforts. Of this amount, \$48.8 million is to be reimbursed by the County; as a result, only the unreimbursable expenses of approximately \$5.2 million are included in the statement of revenues, expenses and changes in fund net assets for the year ended September 30, 2005.



Fiscal Year 2004

Operating expenses prior to depreciation expense and closure and postclosure care costs for inactive landfills increased by \$5.5 million to \$190.3 million in fiscal year 2004, from \$184.8 million in fiscal year 2003. The Collection expenses, included in the \$190.3 million total, are reflected net of approximately \$1.2 million in credits (filed for reimbursement from the Federal Emergency Management Agency (FEMA)) pursuant to diversion of operations resulting from clean-up efforts for Hurricane Frances.

A summary of the Department's Operating Expenses Prior to Depreciation Expense and Closure & Postclosure Care Costs for Inactive Landfills for the years ended September 30, 2004 and 2003, respectively, indicating the amount of change is as follows (Table IV):

TABLE IV

Summary of Operating Expenses Prior to Depreciation Expense and Closure & Postclosure Care for Inactive Landfills

for the Fiscal Years Ended September 30, 2004 and 2003, respectively, indicating the amount of change.

	2004	2003	Increase/ (Decrease)
		(In thousands)	
Landfill & disposal operations, net of change in closure & postclosure care cost estimates for active landfills	\$ 13,992	\$ 12,375	\$ 1,617
Waste-to-energy	64,748	65,383	(635)
Transfer operations	24,844	17,418	7,426
Garbage collection	34,415	32,518	1,897
Trash collection	13,186	18,429	(5,243)
Recycling	10,175	10,249	(74)
Litter control & County wide lot clearing	1,499	1,450	49
Facility maintenance	1,065	683	382
Enforcement and environmental compliance	6,111	7,303	(1,192)
General and administrative	20,231	18,983	1,248
Total	\$ 190,266	\$ 184,791	\$ 5,475

The \$5.5 million increase reflects the combined effect of increases in some components partially offset by decreases in others. Increases in transfer operations, garbage collection, landfill & disposal operations, general & administrative, facility maintenance and litter control & countywide lot clearing costs totaling \$12.6 million were partially offset by decreases in trash collection, enforcement & environmental compliance, waste to energy and recycling costs totaling \$7.1 million.

Certain operating expense components reflect increases, which total \$12.6 million in fiscal 2004 as compared to fiscal 2003. The \$12.6 million increase includes transfer operations increases of \$7.4 million; approximately \$5.6 million of the \$7.4 million increase (in transfer operations) resulted from a reclassification of transportation expenses to transfer operations from trash collection, pursuant to the change in the character of the Trash

& Recycling Centers due to the implementation of the Landscaper Program. The balance of the increase in transfer operations along with increases in garbage collection, general & administrative and facility maintenance costs are primarily attributed to higher personnel costs over fiscal year 2003 (approximately 14.5%, reflecting the combined effect of cost of living adjustments (COLA), merit increases and the labor contract). Litter control and countywide lot clearing increases resulted from higher costs (approximately 3%) being supported by DSWM in fiscal year 2004 when compared to fiscal year 2003. The increase in landfill & disposal operations reflects the effects of closure and postclosure cost increases from a \$552 thousand amortization credit in fiscal year 2003 to charges of approximately \$1.4 million in fiscal 2004 (arising from changes in closure and postclosure estimates). . Additional information concerning the Department's closure and postclosure care costs for inactive landfills can be found in Note 9 of the financial statements.

Other operating expense components reflected decreases totaling \$7.1 million in fiscal year 2004 as compared to fiscal year 2003. Approximately \$5.2 million of the total \$7.1 million resulted from decreases in trash collection costs, resulting from the aforementioned \$5.6 million reclassification of transportation expenses from trash collection to transfer operations, which was partially offset by increases in personnel costs (increases in personnel costs reflect the combined effect of cost of living adjustments (COLA), merit increases and the labor contract). The decreases in enforcement & environmental compliance, waste to energy and recycling resulted primarily from lower contractual services (approximately 3%) in fiscal year 2004 when compared to fiscal year 2003.

Depreciation expense increased from \$25.4 million in fiscal year 2003 to \$27.9 million in fiscal year 2004. The increase resulted from additions in fiscal year 2004 to depreciable property plant and equipment including the depreciation expense attributable to contributed assets combined with the depletion for a previously constructed landfill cell which started receiving waste in fiscal year 2004. Additional information concerning the Department's depreciation policy can be found in Note 1 of the financial statements and additional information concerning the Department's property plant and equipment can be found in Note 3 of the financial statements.

Changes in estimates for closure and postclosure care for inactive landfills in fiscal year 2004 resulted in an expense of approximately \$700 thousand as compared to an expense of approximately \$800 thousand in fiscal year 2003. This component includes expenses associated with the closure and postclosure care of the Main Landfill at N. W. 58th Street (Main) and the assumption of responsibility for the closure and postclosure care of the Old South Dade Landfill site (OSD) and the Ojus Landfill (Ojus). OSD and Ojus have been undergoing closure enhancements. The approximately \$700 thousand expense in fiscal year 2004 reflects the combined effects of approximately \$600 thousand in postclosure care estimates for the Old South Dade Landfill site with approximately \$100 thousand in the postclosure care estimates for the Main Landfill. The changes in estimates resulted from the Department's recent postclosure care experience. Additional information concerning the Department's closure and postclosure care costs for inactive landfills can be found in Note 9 of the financial statements.

Non- operating expenses net of revenues in fiscal year 2004 totaled \$6.543 million, as compared to \$6.977 million in fiscal year 2003. This decrease of \$434 thousand resulted from the combined effect of changes in several components as follows: interest income decreased \$757 thousand, interest expense decreased \$830 thousand, intergovernmental revenue decreased \$169 thousand and other non-operating revenue (expense), net increased \$530 thousand.



Capital Assets and Debt Administration

Capital Assets

Fiscal Year 2005

As of September 30, 2005, the Department had approximately \$248 million invested in capital assets including landfills, the Resources Recovery Facility, transfer stations, Trash and Recycling Centers (T&R Centers), construction in progress and machinery and equipment. This amount represents a decrease of \$5 million from \$253 million at September 30, 2004. The decrease reflects the combined effects of depreciation expense and assets disposed which were partially offset by asset additions during fiscal year 2005.

Major capital assets activity during fiscal year 2005 included the following:

- Resources Recovery Cell 19. This project was completed in fiscal year 2005 bearing a total cost of approximately \$3.6 million. During fiscal year 2005, the Department contributed approximately \$171 thousand to the completion of this project.
- Projects continued in connection with the Collection Facility Improvements, NE Station Improvement, T&R Centers Improvements, Truck Wash Facilities, Central Transfer Station Replacement, Environmental Improvements, Disposal Facilities Improvements, Northeast Transfer Compactor Replacement, Northeast Transfer Station Expansion, Northeast Transfer Tipping Floor Crane, South Dade Ground Water Trench and miscellaneous projects at the Resources Recovery Facility (Carbon Monoxide, Fire Safety, Waste Water Plant, and other plant improvements). The projects listed herein exclude the closure projects discussed below. These projects had a combined cost of \$3.1 million in fiscal year 2005.
- It should be noted that while included in the Department's capital budget, closure projects, in accordance with generally accepted accounting principles, are not capitalized upon completion; therefore, the costs of closure projects completed in fiscal year 2005 have been excluded from property plant and equipment in the summary below. During fiscal year 2005, the Department contributed approximately \$454 thousand to the completion of these closure projects. Closure projects totaling \$292 thousand were completed during fiscal 2005.
- The total of capital and closure projects completed by the Department during fiscal year 2005 totaled \$3.9 million.

Fiscal Year 2004

As of September 30, 2004, the Department had \$253 million invested in capital assets including landfills, the Resources Recovery Facility, transfer stations, Trash and Recycling Centers (T&R Centers), construction in progress and machinery and equipment. This amount represents a decrease of \$20.7 million from \$273.7 million at September 30, 2003. The decrease reflects the combined effects of depreciation expense and assets disposed which were partially offset by asset additions during fiscal year 2004.

Major capital assets activity during fiscal year 2004 included the following:

- Resources Recovery Facility retrofit, West Transfer Station crane and TRC guard house-South Dade projects were completed in fiscal year 2004 bearing a total cost of approximately \$1.6 million. During fiscal year 2004, the Department contributed approximately \$56 thousand to the completion of these projects.

- Projects continued in connection with the Collection Facility Improvements, NE Station Improvement, T&R Centers Improvements, Truck Wash Facilities, Environmental Improvements, Disposal Facilities Improvements, Northeast Transfer Station Expansion, South Dade Ground Water Trench and miscellaneous projects at the Resources Recovery Facility (Carbon Monoxide, Fire Safety, Waste Water Plant, Cell 19 and other plant improvements). The projects listed herein exclude the closure projects discussed below. These projects had a combined cost of \$7.2 million in fiscal year 2004.
- It should be noted that while included in the Department's capital budget, closure projects, in accordance with generally accepted accounting principles, are not capitalized upon completion; therefore, the costs of closure projects completed in fiscal year 2004 have been excluded from property plant and equipment in the summary below. During fiscal year 2004, the Department contributed approximately \$146 thousand to the completion of these closure projects. Closure projects totaling \$400 thousand were completed during fiscal 2004.
- The total of capital and closure projects completed by the Department during fiscal year 2004 totaled \$2 million.

The following table (Table V) summarizes the Department's capital assets and accumulated depreciation at September 30.

TABLE V

Capital Assets and Accumulated Depreciation

	2005	2004	2003
		<i>(In thousands)</i>	
Buildings and improvements	\$ 438,282	\$ 434,742	\$ 433,153
Machinery and equipment	104,924	86,309	85,665
Capital Assets, depreciable	543,206	521,051	518,818
Accumulated depreciation	(374,531)	(346,677)	(321,414)
Land	57,544	57,544	57,544
Construction in progress	21,576	21,123	18,756
Capital Assets	247,795	253,041	273,704



Additional information concerning the changes in the Department's capital assets can be found in Note 3 of the financial statements.

Long-term Debt

Fiscal Year 2005

At September 30, 2005, the Department had \$ 250.5 million in bonds payable and subordinate debt outstanding, as compared to \$175.9 million at September 30, 2004. Of this \$250.5 million total, \$218.5 million in bonds payable are secured by a prior lien upon a pledge of the Pledged Revenues of the System (that is Net Operating Revenues, defined by the bond documents as operating revenues reduced by operating expenses) at September 30, 2005 as compared to \$152.2 million at September 30, 2004. Pursuant to the bond rate covenant, the Department is required to meet debt service coverage of 120%. That is, Net Operating Revenues in each fiscal year must equal or exceed 120% of the annual principal and interest requirements on the bonds. For the year ended September 30, 2005, the Department's debt service coverage equaled 236%, as compared to 182% in the fiscal year ended September 30, 2004. This increase in coverage is attributed to higher Net Operating Revenues, resulting from the increases in revenues described above which was partially offset by a 5% increase in the debt service requirement. The bond rate covenant permits the Net Operating Revenues in each fiscal year to be adjusted by adding amounts on deposit in the Rate Stabilization Fund as of the end of the immediately preceding fiscal year, in an amount not to exceed 20% of Net Operating Revenues. For fiscal year 2005, the calculation of debt service coverage resulting in 236% includes no adjustment to Net Operating Revenues from the Rate Stabilization Fund.

The balance of \$32 million in debt reflects the balance outstanding at September 30, 2005, for the County's Acquisition Special Obligations Bonds, Series 2002A, Series 2004B and Sunshine State Loan, Series I allocated to the Department. This debt is considered subordinate debt to the Department because the County, not the Department, pledged non-ad valorem revenues or other legally available funds for the payment of these bonds. The Department deems the debt service coverage requirement for this subordinate debt to be limited to 100% of annual principal and interest on this debt.

Total debt increased \$74.6 million during fiscal year 2005. This increase reflects the issuance of the Miami-Dade County Solid Waste System Revenue Bonds, Series 2005 and the \$10 million allocation to the Department of the Sunshine State Loan, Series I, partially offset by debt reductions resulting from debt payments and the corresponding amortization of premium, discount, and deferred charges recorded during fiscal year 2005.

During February 2005, the Department updated its bond ratings with each of the three major rating agencies. The ratings received are as follows: AAA from Standard and Poor's Credit Market Services, Aaa from Moody's Investors Services, Inc. and AAA from Fitch, Inc. As of September 30, 2005, these ratings had not changed.

Fiscal Year 2004

At September 30, 2004, the Department had \$ 175.9 million in bonds payable and subordinate debt outstanding, as compared to \$184.1 million at September 30, 2003. Of this \$175.9 million total, \$152.2 million in bonds payable are secured by a prior lien upon a pledge of the Pledged Revenues of the System (that is Net Operating Revenues, defined by the bond documents as operating revenues reduced by operating expenses) at September 30, 2004 as compared to \$161.4 million at September 30, 2003.

Pursuant to the bond rate covenant, the Department is required to meet debt service coverage of 120%. That is, Net Operating Revenues in each fiscal year must equal or exceed 120% of the annual principal and interest requirements on the bonds. For the year ended September 30, 2004, the Department's debt service coverage equaled 182%, as compared to 145% in the fiscal year ended September 30, 2003. This increase in coverage is attributed to higher Net Operating Revenues, resulting from the increases in revenues described above which was partially offset by a minor increase in the debt service requirement. The bond rate covenant permits the Net Operating Revenues in each fiscal year to be adjusted by adding amounts on deposit in the Rate Stabilization Fund as of the end of the immediately preceding fiscal year, in an amount not to exceed 20% of Net Operating Revenues. For fiscal year 2004, the calculation of debt service coverage resulting in 182% includes no adjustment to Net Operating Revenues from the Rate Stabilization Fund.

The balance of \$23.7 million in debt reflects the balance outstanding at September 30, 2004, for the County's Acquisition Special Obligations Bonds, Series 2002A and Series 2004B allocated to the Department. This debt is considered subordinate debt to the Department. The County, not the Department, pledged non-ad valorem revenues or other legally available funds for the payment of these bonds. The Department deems the debt service coverage requirement for this subordinate debt to be limited to 100% of annual principal and interest on this debt.

Total debt decreased \$8 million during fiscal year 2004. This decrease reflects debt reductions resulting from debt payments and the corresponding amortization of premium, discount, and deferred charges recorded during fiscal year 2004, partially offset by the \$3 million allocation to the Department of the County's Acquisition Special Obligations Bonds, Series 2004B.

During January 2001, the Department updated its bond ratings with each of the three major rating agencies. The ratings received are as follows: A from Standard and Poor's Credit Market Services, A2 from Moody's Investors Services, Inc. and A from Fitch, Inc. As of September 30, 2004, these ratings had not changed.

(THIS SECTION LEFT BLANK INTENTIONALLY)



The summary of the Department's debt obligations at September 30, (Table VI) is shown below:

TABLE VI

Summary of the Department's Debt Obligations

September 30, 2005

(In thousands)

	Amount Outstanding	Interest Rates
Revenue Refunding Bonds	\$ 54,866	4.0-6.0%
Revenue Bonds	163,670	3.65-5.5%
County Special Obligation Bonds	21,657	2.0-5.0%
Sunshine State Loan	10,289	VarMax 5%
Total	<u>\$ 250,482</u>	

September 30, 2004

(In thousands)

	Amount Outstanding	Interest Rates
Revenue Refunding Bonds	\$ 62,176	4.0-6.0%
Revenue Bonds	90,048	3.65-5.5%
County Special Obligation Bonds	23,737	2.0-5.0%
Total	<u>\$ 175,961</u>	

September 30, 2003

(In thousands)

	Amount Outstanding	Interest Rates
Revenue Refunding Bonds	\$ 69,092	4.0-6.0%
Revenue Bonds	92,335	3.65-5.5%
County Special Obligation Bonds	22,740	2.0-5.0%
Total	<u>\$ 184,167</u>	

Additional information concerning the Department's outstanding long-term debt and coverage calculations can be found in Note 4 of the financial statements and Table XII of the Statistical Section of this report.

Economic Factors and Next Year's Budgets And Rates

- Miami-Dade County's population growth for fiscal year 2005 was 1.3%, as reported by Miami-Dade County Department of Planning and Zoning, Research Section. During the fiscal year ended September 30, 2005, the average annual number of household (residential) units serviced by the Department increased 2.3%. During the previous two fiscal years the average annual number of household units increased 2.2% and 1.9% per year (fiscal year 2004 and fiscal year 2003, respectively). Information concerning the Department's average annual number of units can be found in Table V of the Statistical Information Section of this report.
- The number of municipal incorporations is continuing. The Department is aware that this is occurring but it will continue servicing the residents of the new municipalities under the current rule of law (Ordinance 96-30). This Ordinance requires those new municipalities to remain as part of the Department's Collection Service Area.
- The number of disposal equivalent revenue tons have been 2.03, 1.79 and 1.86 million for fiscal years 2005, 2004 and 2003, respectively. Information concerning the Department's disposal equivalent revenue tons can be found in Table III A of the Statistical Information Section of this report.

All these factors were considered in the preparation of the Department's budget for fiscal year 2006.

The Adopted Budget for fiscal year 2006 includes:

- A disposal contract tipping fee of \$53.65 per ton. This 2.7% increase over fiscal year 2005, reflects the changes in the consumer price index stipulated for this fee.
- The annual fee for curbside collection remained at \$399 per household.
- Phase One of the Automated Garbage Collections Program is scheduled to be in place by the middle of Fiscal 2006, which expands the number of households receiving automated garbage collection from 11,000 to 142,500 representing 45% of the households served. A delay of several months in the completion of this effort was caused by equipment procurement issues. The fiscal year 2006 Budget contemplates an expansion ("Phase II") of automated service to an additional 32,000 households during the last quarter of fiscal year 2006.

While the Disposal Fund's Rate Stabilization Reserves remained intact at \$20.2 million as of September 30, 2005, the Adopted Budget for fiscal year 2006 anticipates the use of \$100,000 from Rate Stabilization for a capital project.



Request for Information

This financial report is designed to provide customers, creditors and other interested parties with a general overview of the Department's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed in writing to the Controller, Department of Solid Waste Management, 2525 NW 62 Street, 5th Floor, Miami, Florida 33147.

(THIS SECTION LEFT BLANK INTENTIONALLY)

Statements of Net Assets

ASSETS	At September 30,	
	2005	2004
CURRENT ASSETS	<i>(In thousands)</i>	
Unrestricted Assets		
Cash & cash equivalents	\$ 13,725	\$ 18,053
Investments	31,711	17,691
Accounts receivable, net of allowance of \$1,078 and \$566 respectively	15,054	13,253
Due from other County funds	49,188	-
Due from other governments	138	1,462
Other current assets	491	495
Total Unrestricted Assets	110,307	50,954
Restricted Assets		
Cash & cash equivalents	11,813	9,485
Accounts receivable	7,145	7,081
Total Restricted Assets	18,958	16,566
Total Current Assets	129,265	67,520
NON-CURRENT ASSETS		
Restricted Assets		
Cash & cash equivalents	28,957	33,925
Accounts receivable	111,142	42,840
Total Restricted Assets	140,099	76,765
Capital Assets		
Land	57,544	57,544
Buildings and improvements, net of depreciation	116,484	136,625
Machinery and equipment, net of depreciation	52,191	37,749
Construction in progress	21,576	21,123
Total Capital Assets	247,795	253,041
Other Assets		
Loan receivable from other County funds	407	572
Due from other County funds	314	994
Other	9,617	12,530
Total Other Assets	10,338	14,096
Total Non-Current Assets	398,232	343,902
TOTAL ASSETS	\$ 527,497	\$ 411,422

Continued

The accompanying notes to the financial statements are an integral part of these statements.



Statements of Net Assets

Continued

	At September 30,	
	2005	2004
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES	<i>(In thousands)</i>	
Payable from Unrestricted Assets		
Accounts payable and accrued expenses	\$ 46,590	\$ 10,773
Due to other County funds	2,784	2,303
Other current liabilities - compensated absences	3,469	3,337
Other current liabilities - other	577	428
Total Payable from Unrestricted Assets	53,420	16,841
Payable from Restricted Assets		
Accrued interest payable	5,110	4,439
Current portion of bonds and notes payable	13,794	11,870
Accounts payable, restricted	54	257
Total Payable from Restricted Assets	18,958	16,566
Total Current Liabilities	72,378	33,407
LONG-TERM LIABILITIES		
Long-term portion of bonds & notes payable, net	236,688	164,091
Liability for closure & postclosure care costs	93,222	83,779
Other long-term liabilities- compensated absences	9,615	9,004
Due to other County funds - long term	1,505	-
Other long-term liabilities-other	1,481	1,767
Total Long-Term Liabilities	342,511	258,641
Total Liabilities	414,889	292,048
NET ASSETS		
Invested in Capital Assets, net of Related Debt	51,983	94,847
Restricted for:		
Debt service	15,837	14,568
Other purposes	86,010	59,095
Total Restricted	101,847	73,663
Unrestricted (Deficit)	(41,222)	(49,136)
TOTAL NET ASSETS	\$ 112,608	\$ 119,374

The accompanying notes to the financial statements are an integral part of these statements.

Statements of Revenues, Expenses and Changes in Fund Net Assets

	For the Fiscal Years ended September 30,	
	2005	2004
	<i>(In thousands)</i>	
Operating Revenues		
Solid waste disposal services	\$ 75,248	\$ 53,781
Solid waste collection services	125,184	123,224
Utility service fees	16,657	15,798
Electricity sales	17,504	16,593
Other operating revenues	13,122	12,576
Total Operating Revenues	247,715	221,972
Operating Expenses		
Landfill & disposal operations, net of change in closure & postclosure care cost estimates for active landfills	21,299	13,992
Waste-to-energy	64,191	64,748
Transfer operations	24,601	24,844
Garbage collection	35,213	34,415
Trash collection	16,113	13,186
Recycling	11,188	10,175
Litter control & County wide lot clearing	1,675	1,499
Facility maintenance	1,068	1,065
Enforcement and environmental compliance	6,019	6,111
General and administrative	23,064	20,231
Total	204,431	190,266
Depreciation	30,010	27,913
Closure & Postclosure Care Costs for Inactive Landfills	746	642
Total Operating Expenses	235,187	218,821
Operating Income	12,528	3,151
Non-Operating Revenues (Expenses)		
Interest income	3,084	1,201
Interest expense	(8,743)	(8,793)
Intergovernmental revenue	-	260
Closure grant	(6,453)	-
Other non-operating, net	(7,182)	789
Total Non-Operating Expenses, Net	(19,294)	(6,543)
Changes in Net Assets	(6,766)	(3,392)
Total Net Assets, beginning of the year	119,374	122,766
Total Net Assets, end of the year	\$ 112,608	\$ 119,374

The accompanying notes to the financial statements are an integral part of these statements.



Statements of Cash Flows

	For the Fiscal Years ended September 30,	
	2005	2004
	<i>(In thousands)</i>	
Cash Flows From Operating Activities:		
Cash received from fees and charges	\$ 245,850	\$ 220,523
Cash paid to suppliers	(132,913)	(128,672)
Cash paid for closure and long-term care costs	(294)	(883)
Cash paid to employees for services	(69,716)	(64,413)
Net cash provided by operating activities	42,927	26,555
Cash Flows From Noncapital Financing Activities:		
Operating grants received	-	353
Net cash provided by noncapital financing activities	-	353
Cash Flows From Capital and Related Financing Activities:		
Net proceeds from the issuance of bonds and loans payable	86,402	3,000
Principal payments on bonds and loans payable	(12,095)	(11,320)
Interest paid	(8,692)	(9,184)
Proceeds from the sale of equipment	151	883
Acquisition and construction of capital assets	(36,588)	(7,367)
Net cash provided/(used) by capital and related financing activities	29,178	(23,988)
Cash Flows From Investing Activities:		
Proceeds from sale and maturity of investments	60,531	104,489
Purchases of investments	(142,853)	(60,531)
Interest earned on investments	3,084	1,201
Receipts from loan to other County fund for land purchase	165	263
Net cash provided/(used) by investing activities	(79,073)	45,422
Net increase (decrease) in cash and cash equivalents	(6,968)	48,342
Cash and cash equivalents, beginning of year	61,463	13,121
Cash and cash equivalents, end of year	\$ 54,495	\$ 61,463
Classified As:		
Cash and cash equivalents – Unrestricted	\$ 13,725	\$ 18,053
Cash and cash equivalents – Restricted	40,770	43,410
Total	\$ 54,495	\$ 61,463

The accompanying notes to the financial statements are an integral part of these statements.

Statements of Cash Flows

	For the Fiscal Years ended September 30,	
	2005	2004
	(In thousands)	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 12,528	\$ 3,151
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	30,010	27,913
Increase in estimated closure and postclosure care liability	9,828	2,014
(Increase) decrease in assets:		
Accounts receivable	(1,865)	(1,449)
Other current assets	4	2
Due from County funds	(49,188)	-
Due from other governments	1,324	(1,179)
Other assets	3,593	(2,609)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	35,614	(882)
Other current liabilities - compensated absences	132	317
Other current liabilities - other	149	(803)
Due to other County funds	481	(124)
Liability for closure and postclosure costs	(294)	(883)
Due to other governments	-	(37)
Other long-term liabilities-compensated absences	611	1,124
Net Cash Provided by Operating Activities	\$ 42,927	\$ 26,555

Noncash Investing, Capital and Financing Activities:

The decrease in the fair value of investments was approximately \$447,000 and approximately \$123,000 in fiscal years 2005 and 2004, respectively.

The accompanying notes to the financial statements are an integral part of these statements.



Notes to Financial Statements

September 30, 2005 and 2004

1. General and Summary of Significant Accounting Policies

Reporting Entity - In January 1989, the Board of County Commissioners (the "Board") of Miami-Dade County, Florida (the "County") passed Administrative Order 9-1 creating the Department of Solid Waste Management (the "Department"). The Department was formed by merging the Department of Solid Waste Collection with the Solid Waste Disposal Division of the Public Works Department into a single agency. The Department provides solid waste collection services for unincorporated Miami-Dade County and solid waste disposal services for all of Miami-Dade County. Under the provisions of the State of Florida 1988 Solid Waste Management Act, the County is responsible for providing sufficient solid waste disposal capacity for all of Miami-Dade County based on a defined "Level of Service Standard", as required by the 1985 State of Florida Growth Management Act.

The financial statements present only the financial position, results of operations and the cash flows of the Department, in conformity with accounting principles generally accepted in the United States of America, and are not intended to present fairly the financial position, results of operations and the cash flows of Miami-Dade County, Florida's proprietary fund types.

Measurement and Focus Basis of Accounting - The Department operates as a self-supporting governmental enterprise fund of the County. An enterprise fund is used to account for operations that recover the cost of services provided from user charges. Accordingly, the accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting.

The accompanying financial statements combine the accounts of the Solid Waste Collection and Solid Waste Disposal Systems to provide meaningful information with respect to the Department. All significant intersystem transactions have been eliminated.

The financial statements are prepared in conformity with generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB). The Department has elected not to apply certain pronouncements of the Financial Accounting Standards Board issued after November 30, 1989 as permitted by GASB Statement No. 20, *Accounting and Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*.

Budgets - The Board of County Commissioners approves annual operating and capital outlay budgets for the Department's waste collection and waste disposal funds, through the enactment of Budget Ordinances. Expenditures are monitored at various levels of classification detail, but may not legally exceed budgeted appropriations at the fund level.

Use of Estimates - The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Hurricane Related Expenses - Hurricane expenses, if any were incurred in the accounting period, are reflected in the financial statements. To the degree these costs can be estimated, the figures have been accrued for in the periods presented.

Revenue Recognition - All waste collection and disposal revenues are recognized when the related services are provided.

Operating and non-operating revenues - The Department distinguishes operating revenues and expenses from non-operating items in its statement of revenues, expenses and changes in net assets. In general operating revenues result from charges to customers for the use of the Department's services. Operating expenses relate to the cost of providing those services including administrative expenses, depreciation and depletion of capital assets and closure and postclosure care for active and inactive landfills.

All other revenues and expenses that do not result from the Department's ongoing operations are considered to be non-operating. Non-operating items include but are not limited to investment earnings, interest expense, grants, capital contributions and hurricane expenses, if any.

Reclassifications - Certain prior year balances have been reclassified to ensure consistency of presentation with the current year.

Cash Equivalents - The Department considers all amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date acquired by the County to be cash equivalents.

Investments - The investments of the Department are reported at fair value, and unrealized gains or losses due to variations in fair value are taken into income for the year.

Restricted Assets - The use of certain assets is restricted by specific bond covenants and other legal requirements. Assets so designated are identified as restricted assets on the statements of net assets.

Application of restricted and unrestricted resources - The Department's policy when both restricted and unrestricted resources are available to be used for a certain purpose is to use restricted resources first, then use unrestricted resources as needed.

Capital Assets and Depreciation - Property, plant and equipment are capitalized at cost, when cost exceeds \$750. Contributions by third parties are recorded at their fair value on the date of contribution. Expenditures for maintenance, repairs and minor renewals and betterments are expensed as incurred. At the time properties are retired or otherwise disposed of, the cost and any related contributed capital are eliminated from the accounts, and any gain or loss on the transaction is reflected in the statement of revenues and expenses.

Leases that transfer substantially all the benefits and risks of ownership are classified as capital leases, and require the lessee to record the assets acquired and the related long-term liability for the lease at the present value of the future minimum lease payments.



Annualized depreciation expense (including depreciation on contributed assets), expressed as a percentage of depreciable property, plant and equipment was 5.5% and 5.3% for the fiscal years ended September 30, 2005 and 2004, respectively. The Department utilizes the straight-line depreciation method of depreciation over the estimated useful lives of the assets, which are as follows:

	Years
Buildings and improvement	10-25
Machinery and equipment	5-10

Loan Receivable from Other County Funds - The Department loaned approximately \$3.1 million to the County Parks Department for the acquisition of property adjacent to the OJUS Landfill (See Note 9), which is to be repaid in annual installments of \$160,000. Approximately \$2.7 million and approximately \$2.5 million had been repaid as of September 30, 2005 and 2004, leaving a remaining balance of approximately \$400 thousand and \$600 thousand, respectively for those fiscal years.

Closure Grant - On March 26, 2004, the County and the City of North Miami, Florida (the “City”) entered into a grant agreement (the “Agreement”). Under the Agreement, the County agreed to provide certain grant funds to the City for the cost of financing the remediation and closure of the City’s Munisport Landfill Site (“Munisport”). Therefore in fiscal year 2005, the Department transferred \$31.2 million to an interest bearing escrow account for the purposes set forth in the Agreement. The terms of the Agreement prescribe reimbursement to the City from the escrow account based on invoices or draw requests for eligible costs. Because of the cost-reimbursement nature of the Agreement, the Department recognizes grant expenses as the City incurs and presents documentation for reimbursement of eligible reimbursable costs. As of September 30, 2005, approximately \$6.1 million had been reimbursed to the City for eligible costs, leaving a remaining balance of approximately \$25.3 million (after recognizing approximately \$340 thousand in investment income for fiscal year 2005) at September 30, 2005. The escrow account balance is reported as part of “cash with fiscal agent” in the Department’s financial statements.

Interest on Indebtedness - Interest is charged to expense as incurred except for interest related to borrowings used for qualified construction projects, which is capitalized, net of interest earned on the construction funds borrowed. Interest expense for the fiscal years ended September 30, 2005 and 2004 was \$8.7 million and \$8.8 million, respectively. These amounts are net of capitalizable interest totaling \$619 thousand and \$671 thousand in fiscal years 2005 and 2004, respectively.

Bond Premium, Deferred Charges and Issuance Costs - Premiums on bonds and notes payable are amortized using the straight-line method over the life of the related bond issues for expediency purpose since, in the opinion of management, the results are not significantly different than those obtained by using the effective interest method of amortization. Bond issuance costs and deferred charges are capitalized and amortized over the life of the bonds.

Grants from Government Agencies - The Department records grants when all eligibility requirements are met under the appropriate grant terms. This normally occurs as amounts are expended and become reimbursable from the granting agency. Revenues from operating grants are accounted for as non-operating revenues.

Pension Plan - The Department contributes to the Florida Retirement System, a cost-sharing multi-employer plan. Contributions are expensed as incurred (see Note 7).

Compensated Absences - The Department accounts for compensated absences by accruing a liability in accordance with GASB Statement No. 16, Accounting for Compensated Absences. This liability is based on the employees' right to receive compensation for future absences at the time of the absence, or upon termination or retirement.

Cost Allocation - Certain engineering overhead and other costs are allocated between capital projects and operating expenses based on direct labor costs.

2. Cash, Cash Equivalents and Investments

Deposits and Investments

The County pools substantially all cash, cash equivalents and investments, except for those amounts that are required to be held in trust or escrow accounts pursuant to bond ordinances. The Department's share of the total pooled cash and investments is segregated between "Cash and Cash Equivalents" and "Investments" on the accompanying statements of net assets in proportion to the percentages contained in the County's analysis of its pooled cash. Interest earned on pooled cash and investments is allocated to the Department based upon its average daily balance in those assets during the allocation period.

All cash deposits are held in qualified public depositories pursuant to the *Florida Security for Public Deposits Act* (the "Act"), Chapter 280 Florida Statutes. These deposits are considered fully insured since the Act requires all qualified public depositories to pledge, as security, eligible collateral with a market value equal to or greater than the average daily or monthly balance of all public deposits multiplied by the depository's collateral pledging level. The pledging level ranges from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with a State approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

As a rule, the County intends to hold all purchased securities until their final maturity date. There may be occasional exceptions, including, but not limited to the need to sell securities to meet unexpected liquidity needs as well as sales relating to swap transactions. The County does not purchase any security at a lower price with the intent to sell the security later to generate a capital gain.

Included in cash and cash equivalents are funds held as cash with fiscal agent pursuant to the Munisport Closure Grant (see Note 1). These funds are held in a money market account and are not part of the County's pool. Therefore, the information herein regarding the County's pool about risk and other does not apply to these funds. The balance of the Munisport funds also held as cash with fiscal agent. These are invested in Treasury Notes and are not part of the County's pool either. These items are identified below.



At September 30, 2005, the carrying value of the Department's share of the County's pooled cash and cash equivalents and investments included the following:

Fair Value (In Thousands)			
	Investments	Cash & Cash Equivalents	Total
Federal Home Loan Mortgage Corporation	\$ 16,011	\$ -	\$ 16,011
Federal Home Loan Bank	19,368	-	19,368
Federal Farm Credit Banks	6,416	-	6,416
Fannie Mae	20,644	-	20,644
Freddie Mac	927	-	927
Money Market (Closure Grant Funds)	-	2,933	2,933
State of Florida External Investment Pool	8,197	11,343	19,540
Treasury Notes (includes \$22.5M of Closure Grant Funds)	22,777	-	22,777
Petty cash (not invested)	-	2	2
Commercial Paper	48,513	40,217	88,730
Total	<u>\$142,853</u>	<u>\$54,495</u>	<u>\$197,348</u>

Credit Risk

The County's Investment Policy (the Policy), minimizes credit risk by restricting authorized investments to: Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, pursuant to Florida Statutes §280.02, which are defined as banks, savings bank, or savings association organized under the laws of the United States with an office in this state that is authorized to receive deposits, and had deposit insurance under the provisions of the Federal Deposit Insurance Act; direct obligations of the United States Treasury; federal agencies and instrumentalities; securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to the obligations of the United States government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; Commercial paper of prime quality with a stated maturity of 270 days or less from the date of its issuance, which has the highest letter and numerical rating as provided for by at least one nationally recognized rating service; Bankers Acceptances which have a stated maturity of 180 days or less from the date of its issuance, and have the highest letter and numerical rating as provided for by at least one nationally recognized rating service, and are drawn on and accepted by commercial banks and which are eligible for purchase by the Federal Reserve Bank; Investments in Repurchase Agreements ("Repos") collateralized by securities authorized by this policy.

The ratings below were issued by Moody's, Standard and Poors and Fitch.

The table below summarizes the investments by type, provides the fair value and insured credit rating at September 30, 2005:

Investment Type	Fair Value (In Thousands)	Credit Rating
Federal Home Loan Mortgage Corporation	\$ 16,011	AAA
Federal Home Loan Bank	19,368	AAA
Federal Farm Credit Banks	6,416	AAA
Fannie Mae	20,644	AAA
Freddie Mac	927	AAA
State of Florida Investment Pool	8,197	-
Treasury Notes (includes \$22.5M of Closure Grant Funds)	22,777	-
Commercial Paper	48,513	A1/P1
Total	<u>\$ 142,853</u>	

Custodial Credit Risk

The Policy requires that bank deposits be secured per Chapter 280, Florida Statutes. This requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2005 all of the County's bank deposits were in qualified public depositories. The Department had no bank deposits in the County's pooled cash at September 30, 2005.

The Policy required the execution of a Custodial Safekeeping Agreement (CSA) for all purchased securities and shall be held for the credit of the County in an account separate and apart from the assets of the financial institution. All investments are in the name of the County in accordance with County policy.

Concentration of Credit Risk

The Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Policy provides that a maximum of 30% of the portfolio may be invested in SEC registered money market funds with no more than 10% to any single money market fund; a maximum of 20% of the portfolio may be invested in non-negotiable interest bearing time certificates of deposit savings accounts with no more than 5% deposited with any one issuer; a maximum 75% of the total portfolio may be invested in federal agencies and instrumentalities; a maximum of 5% of the portfolio may be invested in open-end or closed-end funds; a maximum of 50% of the portfolio may be invested in prime commercial paper with a maximum of up to 5% with any one issuer; a maximum of 25% of the portfolio may be invested in bankers acceptance with a maximum of 10% with any one issuer; a maximum of 60% of the portfolio may be invested in both commercial paper and bankers acceptance; a maximum of 10% of the portfolio may be invested with any one institution.



As of September 30, 2005 the following issuers held 5% or more of the cash and cash equivalents and investments as a percentage of the total portfolio:

Issuer	Fair Value (In Thousands)	% of Portfolio Portfolio
Federal Home Loan Mortgage Corporation	\$16,011	8.00%
Federal Home Loan Bank	\$19,368	10.00%
Fannie Mae	\$20,644	10.00%
Commercial Paper	\$88,730	45.00%

The above excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds and external investment pools.

Interest Rate Risk

The Policy limits interest rate risk by requiring the matching of known cash needs and anticipated net cash outflow requirements; following historical spread relationships between different security types and issuers; evaluating both interest rate forecasts and maturity dates to consider short-term market expectations. The Policy requires that investments made with current operating funds shall maintain a weighted average of no longer than 1 year. Investments for bond reserves, construction funds and other non-operating fund shall have a term appropriate to the need for funds and in accordance with debt covenants. The Policy limits the maturity of an investment to a maximum of 5 years.

As of September 30, 2005 the County has the following cash and cash equivalents and investments with the respective weighted average maturity in years:

Investment Type	Fair Value (In Thousands)	Weighted Average in Years
Federal Home Loan Mortgage Corporation	\$16,011	0.83
Federal Home Loan Bank	\$19,368	1.07
Federal Farm Credit Banks	\$6,416	0.88
Fannie Mae	\$20,644	0.83
Freddie Mac	\$927	0.97
Money Market (Closure Grant Funds)	\$2,933	0.00
State of Florida External Investment Pool	\$19,540	0.00
Treasury Notes (includes \$22.5M of Closure Grant Funds)	\$22,777	0.08
Commercial Paper	\$88,730	0.14

Foreign Currency Risk

The Policy limits the County's foreign currency risk by excluding foreign investments as an investment option.

The Department adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures* in fiscal year 2005. Therefore, it was not practical to prepare fiscal year 2004 comparative disclosures. The Department held no category 3 investments in fiscal year 2004.

3. Capital Assets

Capital assets activity for each of the years ended September 30, 2005 and September 30, 2004 was as follows:
(In Thousands)

	Balance at 10/1/2004	Additions	Deletions	Balance at 9/30/2005
Land	\$ 57,544	\$ -	\$ -	\$ 57,544
Construction in Progress	21,123	3,993	3,540	21,576
Total Non-depreciable Assets	78,667	3,993	3,540	79,120
Building & Building Improvements				
Authorized Improvements (Contributed Assets)	507	-	-	507
Buildings	307,780	-	-	307,780
Total Buildings & Improvements	308,287	-	-	308,287
Other Improvements (Incl. Landfills)	126,455	7,184	3,644	129,995
Furniture, Fixtures, Mach & Equip				
Machinery, Equipment & Furniture	20,627	4,559	503	24,683
Automotive Equipment	64,593	16,321	1,762	79,152
Other Capitalizable Items	1,089	-	-	1,089
Total Furn,Fix, Mach & Equip	86,309	20,880	2,265	104,924
Total Depreciable Assets	521,051	28,064	5,909	543,206
Less Accumulated Depreciation for:				
Buildings & Building Improvements	212,738	11,806	-	224,544
Other Improvements	85,379	11,875	-	97,254
Furn, Fixtures, Mach & Equipment	48,560	6,329	2,156	52,733
Total Accumulated Depreciation	346,677	30,010	2,156	374,531
Total Depreciable Assets, Net	174,374	(1,946)	3,753	168,675
Total Capital Assets, Net	\$ 253,041	\$ 2,047	\$ 7,293	\$ 247,795

Continued



Capital Assets

Continued

	(In Thousands)			
	Balance at 10/1/2003	Additions	Deletions	Balance at 9/30/2004
Land	\$ 57,544	\$ -	\$ -	\$ 57,544
Construction in Progress	18,756	7,669	5,302	21,123
Total Non-depreciable Assets	76,300	7,669	5,302	78,667
Building & Building Improvements				
Authorized Impr. (Contributed Assets)	507	-	-	507
Buildings	306,191	1,589	-	307,780
Total Buildings & Improvements	306,698	1,589	-	308,287
Other Improvements (Incl. Landfills)	126,455	-	-	126,455
Furniture, Fixtures, Mach & Equip				
Machinery, Equipment & Furniture	20,727	2,049	2,149	20,627
Automotive Equipment	63,849	3,254	2,510	64,593
Other Capitalizable Items	1,089	-	-	1,089
Total Furn,Fix, Mach & Equip	85,665	5,303	4,659	86,309
Total Depreciable Assets	518,818	6,892	4,659	521,051
Less Accumulated Depreciation for:				
Buildings & Building Improvements	200,457	12,281	-	212,738
Other Improvements	75,491	9,888	-	85,379
Furn, Fixtures, Mach & Equipment	45,466	5,744	2,650	48,560
Total Accumulated Depreciation	321,414	27,913	2,650	346,677
Total Depreciable Assets, Net	197,404	(21,021)	2,009	174,374
Total Capital Assets, Net	\$273,704	(\$13,352)	\$7,311	\$253,041

4. Long-term Debt

Long-term debt includes various bonds, loans and notes payable which have been issued or approved by the County for the construction and improvement of the Department's waste collection and disposal infrastructure, for the defeasance of outstanding debt and for the acquisition of certain machinery and equipment. See Note 5, Restricted Assets, for a discussion of the accounts used in accounting for proceeds and collateral pledged as a result of the issuance of the various forms of debt.

General covenants, along with debt service requirements, are as follows:

Miami-Dade County Revenue Bonds Series 2005 - On April 21, 2005, the County issued \$73.507 million of Miami-Dade County Solid Waste System Revenue Bonds Series 2005 ("the Series 2005 Revenue Bonds").

The Series 2005 Revenue Bonds are secured by the net operating revenues of the Department, with principal payable annually on October 1 through the year 2030, along with semiannual interest payable on April 1 and October 1, with interest rates ranging from 4.04% to 5.25%. The required net revenue coverage ratio of 1.2 times the current year's debt service was met for fiscal year 2005.

The proceeds of \$76.042 million, including the bond premium, are for the purpose of (1) paying or reimbursing the County for the costs of certain solid waste disposal projects (such as closure of former Munisport Landfill located in the City of North Miami \$31.027 million; closure of former municipal landfill located in the City of Homestead \$7.5 million; closure of Cell Three located at the South Miami-Dade Landfill \$6.708 million; closure of former Virginia Key Landfill located in the City of Miami, Phase 1 \$27.635 million; closure study of former Virginia Key Landfill located in the City of Miami \$650,000; and construction of groundwater remediation project at the North Miami-Dade Landfill \$1.48 million), and (2) pay the costs of issuance for the Series 2005 Revenue Bonds including premiums for a municipal bond insurance policy and a surety bond.

Miami-Dade County Revenue Bonds Series 2001 - On February 28, 2001, the County issued \$40.395 million of Miami-Dade County Solid Waste System Revenue Bonds Series 2001 ("the Series 2001 Revenue Bonds").

The Series 2001 Revenue Bonds are secured by the net operating revenues of the Department, with principal payable annually on October 1 through the year 2020, along with semiannual interest payable on April 1 and October 1, with interest rates ranging from 4.375% to 5.50%. The required net revenue coverage ratio of 1.2 times the current year's debt service was met for fiscal years 2005 and 2004.

The proceeds of \$41.147 million, including the bond premium, were used to: (1) pay \$40 million of the Costs for the 1997 Project (such portion of the Costs of the 1997 Project constituting a Project for purposes of the Series 2001 Resolution), and (2) pay the costs of issuance for the Series 2001 Revenue Bonds including premiums for a municipal bond insurance policy and a surety bond.



Miami-Dade County Revenue Bonds Series 1998 - On August 19, 1998, the County issued \$60 million of Miami-Dade County Solid Waste System Revenue Bonds Series 1998.

The Series 1998 Revenue Bonds are secured by the net operating revenues of the Department, with principal payable annually on October 1 through the year 2018, along with semiannual interest payable on April 1 and October 1, with interest rates ranging from 3.65% to 5.1%. The required Net revenue coverage ratio of 1.2 times the current year's debt service was met for fiscal years 2005 and 2004.

The proceeds of \$59.1 million were used to: (1) pay the principal balance of \$50 million on the Dade County, Florida Solid Waste System Bond Anticipation Notes, Series 1997 which matured on September 1, 1998 (2) provide \$7.758 million for capital expenditures, and (3) pay the costs of issuance for the Series 1998 Revenue Bonds including premiums for a municipal bond insurance policy and a surety bond.

Dade County Revenue Refunding Bonds Series 1996 - On January 7, 1997, the County issued \$109.5 million of Dade County Solid Waste System Revenue Refunding Bonds Series 1996.

The Series 1996 Refunding Bonds are secured by the net operating revenues of the Department and are due serially on October 1 through the year 2010, with semiannual interest due on April 1 and October 1, with interest rates ranging from 4.0% to 6.0%. The required Net revenue coverage ratio of 1.2 times the current year's debt service was met for fiscal years 2005 and 2004.

The net proceeds of \$108.8 million, together with the \$45.4 million released from reserves related to the refunded obligations and a \$6 million contribution from the Department were used to: (1) pay the balance of \$43.2 million on the Series J State Bond Loan (2) purchase \$116.2 million in U. S. Treasury securities to provide for all future debt service payments on the Series 1985A Dade County Waste System Special Obligation Revenue Bonds and the Series 1986 Dade County Solid Waste System Special Obligation Revenue Refunding Bonds (3) pay the costs of issuance for the Series 1996 Refunding Bonds including premiums for a municipal bond insurance policy and a surety bond.

The U. S. Treasury securities were placed in an irrevocable trust with an escrow agent. Accordingly, the refunded obligations totaling \$15.9 million for Series 1985A and \$95.2 million for Series 1986 are considered to be defeased, and the assets held in trust and the liability for the defeased debt have not been included in the accompanying financial statements. As of September 30, 2005, there were no balances outstanding from the defeased Series 1985A and Series 1986.

Other Long-Term Debt

Miami-Dade County Capital Asset Acquisition Bond Series 2002A - On September 19, 2002, the County issued Acquisition Special Obligation Bonds Series 2002A ("the Series 2002A Bonds") of which \$21.045 million was allocated to the Department of Solid Waste Management. Under the Bond Ordinance, the County has covenanted and agreed to annually budget and appropriate in its Annual Budget, by amendment, if required and to the extent permitted and in accordance with budgetary procedures provided by the laws of the State, and to pay when due directly into the appropriate fund or account created in the Bond Ordinance or to the Bond Insurer or provider of a Reserve Facility directly, as the case may be, sufficient amounts of legally available non-ad valorem revenues or other legally available funds sufficient to satisfy principal of, premium, if any, and interest on the Bonds, as the same become due and payable.

The Department will pay the County for its share of the annual principal due on the bonds starting April 1, 2004 through the year 2013, along with its share of the semiannual interest payable on April 1 and October 1. Interest rates on the bonds ranged from 2.00% to 5.00%. The Department's share of the bond proceeds of \$23.120 million, including a bond premium of \$2.07 million, was used to: (1) pay \$22.8 million for the purchase and improvement of certain Capital Assets owned by the County, and (2) pay the costs of issuance for the series 2002A Capital Asset Acquisition Bonds including premiums for a municipal bond insurance policy and a surety bond.

Miami-Dade County Capital Asset Acquisition Bond Series 2004B - On September 29, 2004, the County issued Acquisition Special Obligation Bonds Series 2004B ("the Series 2004B Bonds") of which \$2.945 million was allocated to the Department of Solid Waste Management. Under the Bond Ordinance, the County has covenanted and agreed to annually budget and appropriate in its Annual Budget, by amendment, if required and to the extent permitted and in accordance with budgetary procedures provided by the laws of the State, and to pay when due directly into the appropriate fund or account created in the Bond Ordinance or to the Bond Insurer or provider of a Reserve Facility directly, as the case may be, sufficient amounts of legally available non-ad valorem revenues or other legally available funds sufficient to satisfy principal of, premium, if any, and interest on the Bonds, as the same become due and payable.

The Department will pay the County for its share of the annual principal due on the bonds starting April 1, 2006 through the year 2016, along with its share of the semiannual interest payable on April 1 and October 1 (starting April 1, 2005). Interest rates on the bonds ranged from 2.25% to 5.00%. The Department's share of the bond proceeds of \$3.046 million, including a bond premium of \$101 thousand, was used to: (1) pay \$3.0 million for the purchase and improvement of certain Capital Assets owned by the County, and (2) pay the costs of issuance for the series 2004B Capital Asset Acquisition Bonds including premiums for a municipal bond insurance policy and a surety bond.

Sunshine State Loans Series I - On July 7, 2005, the Board of County Commissioners approved an ordinance authorizing the County to incur indebtedness in an aggregate principal amount not to exceed \$71,000,000 in the form of a loan from the Sunshine State Governmental Financing Commission (the "Commission"), for the purpose of paying or reimbursing cost of certain capital expenditures; providing that such loan shall be secured by covenant to budget and appropriate from legally available non-ad valorem revenues of the County.

On August 16, 2005, the County, on behalf of the Department entered into such loan agreement with the Commission in the amount of \$10.3 million. The 2005 Sunshine State Loan is a fully amortized loan with principal due annually beginning September 1, 2006 through its scheduled maturity date September 1, 2015. Such loan bears interest at a variable rate not to exceed 5% per annum. The interest rate for this loan during fiscal year 2005 was 2.86%.



Debt Service Requirements - The Department's debt service requirements to maturity, net of the current portion, current value of deferred charges and unamortized premium/discount at September 30, 2005, are as follows:

Maturing in Fiscal Year	(In Thousands)		
	Principal	Interest	Total
2006	\$ 12,765	\$ 9,995	\$ 22,760
2007	13,460	9,396	22,856
2008	14,210	8,640	22,850
2009	14,955	7,884	22,839
2010	15,700	7,121	22,821
2011-2015	69,004	35,303	104,307
2016-2020	55,783	26,282	82,065
2021-2025	21,845	7,518	29,363
2026-2031	20,990	3,474	24,464
Total	\$ 238,712	\$ 115,613	\$ 354,325
Current Portion	(13,794)		(13,794)
Deferred Charges	(2,497)		(2,497)
Unamortized Premium/Discount, net	3,978		3,978
Sunshine State Loan (see below)	10,289	2,830	(1) 13,119
Total Debt, net of current portion	\$ 236,688	\$ 118,443	\$ 355,131

(1) Based on 5% per annum.

Refer to Note 10 for additional information regarding beginning balance, additions, reductions and ending balance.

Sunshine State Loan

Maturing in Fiscal Year	(In Thousands)		
	Principal	Interest	Total
2006	\$ 1,029	\$ 515	\$ 1,544
2007	1,029	463	1,492
2008	1,029	412	1,441
2009	1,029	360	1,389
2010	1,029	309	1,338
2011-2015	5,144	771	5,915
Total	\$ 10,289	\$ 2,830	\$ 13,119

Summary of Outstanding Debt (In thousands):

Description	Rate	Amount Issued	Maturity Date	Balance Outstanding
96 Refunding Bonds	4-6%	\$ 109,550	10/1/2010	\$ 56,880
Plus: Unamortized Premium				483
Less:				
Deferred Loss on Refunding				(2,497)
Current Portion				(8,175)
Bonds Payable on Series 1996				\$ 46,691
98 Revenue Bonds	3.65-5.1%	\$ 60,000	10/1/2018	\$ 47,385
Plus: Unamortized Premium - 97 BANS				137
Less:				
Unamortized Discount				(701)
Current Portion				(2,490)
Bonds Payable on Series 1998				\$ 44,331
01 Revenue Bonds	4.375-5.5%	\$ 40,395	10/1/2020	\$ 40,395
Plus: Unamortized Premium				454
Bonds Payable on Series 2001				\$ 40,849
05 Revenue Bonds	4.04-5.25%	\$ 73,507	10/1/2030	\$ 73,507
Plus: Unamortized Premium				2,493
Bonds Payable on Series 2005				\$ 76,000
02 Capital Asset Bonds	2-5%	\$ 21,045	4/1/2013	\$ 17,600
Plus: Unamortized Premium				1,024
Less: Current Portion				(1,845)
Subordinate Debt Payable on Series 2002A				\$ 16,779
04 Capital Asset Bonds	2.25-5%	\$ 2,945	4/1/2016	\$ 2,945
Plus: Unamortized Premium				88
Less: Current Portion				(255)
Subordinate Debt Payable on Series 2004B				\$ 2,778
05 Sunshine State Loan	Variable Max-5%	\$ 10,289	9/1/2015	\$ 10,289
Less: Current Portion				\$ (1,029)
Sunshine Loan Payable - Series I				\$ 9,260
Total Debt & Loan Outstanding, net of current portion at 09/30/05				\$ 236,688

Prior Years' Defeasance of Debt - In prior years, the County defeased certain bonds by placing the proceeds of new bond issues in irrevocable trusts and investing them in direct obligations of the U.S. Government to provide for all future debt service payments on the old bonds. At September 30, 2005 and 2004, there were no defeased bonds outstanding.



5. Restricted Assets

Restricted assets represent funds that are required to be segregated in restricted accounts under the terms of the various bond agreements (see Note 4) and for compliance with Chapter 24 of the Miami-Dade County Code (See Note 9). Assets were restricted for the following purposes as of September 30:

Restricted Assets	2005	2004
	(in thousands)	
Construction & Equipment	\$ 57,210	\$ 19,668
Debt service	15,837	14,568
Groundwater Protection	7,145	7,081
Closure grant	25,270	-
Rate Stabilization	20,228	20,228
Operating Reserve	33,367	31,786
Total	\$ 159,057	\$ 93,331

6. Risk Management

The Department, along with other County departments, participates in the County's self-insurance programs. The County's Risk Management Division ("RMD") administers property, workers' compensation and general and automobile liability self-insurance programs. An independent contractor administers the group health and life self-insurance program, which is subject to certain stop-loss provisions.

The property self-insurance program covers the first \$5 million of property losses for most perils. A \$200 million self Insured retention per occurrence applied to named windstorm losses. Named windstorm coverage is limited to \$725 million per occurrence. Insurance coverage is maintained with independent carriers for property losses in excess of self insured retention. The County maintains no excess coverage with independent insurance carriers for the workers' compensation, general liability and auto liability self-insurance programs. Premiums are charged to the various County departments based on amounts necessary to provide funding for current losses and to meet the required annual payments during the fiscal year. For the years ended September 30, 2005 and 2004, the Department paid approximately \$1.4 million and approximately \$1.5 million, respectively, in premiums for the self-insured programs.

At September 30, 2005 and 2004, the Department had an outstanding payable to RMD for self-insurance claims of approximately \$1.7 million and \$2.3 million, respectively. This \$1.7 million liability represents the current portion of the County's estimate of reported and unreported claims. The long-term portion of the estimated liability is recorded in the Internal Service Fund of the County and it is not allocated to the Department. The total estimate by the self-insurance programs administered by RMD is determined annually based on the estimated ultimate cost of settling claims. The estimate for outstanding claims considers historical experience adjusted for current trends and other factors that would modify past experience. The estimate for losses incurred but not reported, is generated by an independent actuary.

7. Pension Plans and Other Employee Benefits

Pension Plans

The Department, as an enterprise fund of the County, participates in the Florida Retirement System (the "System"/"FRS"), a cost-sharing, multiple-employer, public employee retirement plan, which covers substantially all of the Department's full-time and part-time employees. The System was created in 1970 by consolidating several employee retirement systems. All eligible employees as defined by the State who were hired after 1970, and those employed prior to 1970, who elect to be enrolled, are covered by the System. Benefits under the plan vest after 6 years of service. Employees who retire at or after age 62, with six years of credited service, are entitled to an annual retirement benefit, payable monthly for life. The System also provides for early retirement at reduced benefits, and death and disability benefits. These benefit provisions and all other requirements are established by State statute.

The Florida Legislature created a new defined contribution program that was added to the menu of choices available to FRS members beginning in June 2002. Formally created as the Public Employee Optional Retirement Program (PEORP), the FRS Investment Plan is available as an option for all current and future FRS members, including renewed members (FRS retirees who have returned to FRS employment). The FRS Investment Plan is a defined contribution plan where the contribution amount is fixed by a set percentage determined by law and the contribution is made to an individual account in each participant's name. With a defined contribution plan, in which the monthly contribution rate is fixed, the final benefit will be the total account value (contributions plus investment earnings less expenses and losses) distributed during retirement.

Pension costs of the Department of Solid Waste Management for the years ended September 30, 2005, 2004 and 2003, amounted to approximately \$3.9 million, \$3.5 million, and \$2.8 million, respectively, representing 7.51%, 7.11%, and 6.22% of the Department's covered payroll, for the fiscal years 2005, 2004 and 2003, respectively.

Pension costs for the County, as required and defined by State statute, ranged from 7.83% to 18.65%, 7.39% to 18.65% and 7.39% to 18.65% of gross salaries for fiscal years 2005, 2004 and 2003, respectively. For the fiscal years ended September 30, 2005, 2004 and 2003, the County made 100% of the required contributions

A copy of the System's June 30, 2005 annual report can be obtained by writing to the Division of Retirement, Cedars Executive Center, 2639-C North Monroe Street, Tallahassee, FL 32399-1560, or by calling (850) 488-5706.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from County service. The Department accrues vacation and sick pay benefits in the period they are earned. Accrued vacation, sick pay and departure incentive program payable (see "Departure Incentive Program" below), which are included in "Other current liabilities-compensated absences" and "Other long-term liabilities-compensated absences" in the accompanying statements of net assets, totaled approximately \$13.1 million and \$12.3 million as of September 30, 2005 and 2004, respectively.

Departure Incentive Program

The County offered a Departure Incentive Program (the "Program") to employees with ten years of continuous service who were eligible for an unreduced Florida Retirement System benefit on or before January 31, 1996, and to employees who completed 20 years or more of continuous service on or before January 31, 1996, regardless of age. Employees were required to separate from service on or before January 31, 1996. The Program of-



ferred single health insurance coverage in a County approved group health plan or a \$300 a month cash payment for a minimum of eight years or until the employee would become eligible for Medicare.

For the fiscal years ended September 30, 2005, and 2004, the Department's share of the Program included in the accompanying statements of net assets under "Other current liabilities—compensated absences" and "Other long-term liabilities—compensated absences" totaled approximately \$181,000 and \$211,000, respectively. These figures represent the estimated remaining cost to the Department for its share of the Program discounted at 4%. Refer to footnote 11 for additional information regarding beginning balance, additions, reductions and ending balance of compensated absences and Departure Incentive Program.

8. Related Party Transactions

The Department provides waste collection and waste disposal services to other County departments as part of the normal course of business, based on regular retail rates. The Department recognized approximately \$8.2 million and \$5 million in revenues for each, fiscal year 2005 and fiscal year 2004, respectively. These revenues represent the total of services rendered and the rental of an administration building to other County departments. Various departments within the County provide goods, administrative services, public safety, facility rental, fleet management and various other services to the Department. Charges for these services are determined using direct and indirect cost allocation methods or amounts determined based upon direct negotiations between the related parties.

The following represents the major providers of these services and their respective charges, which are included in the accompanying statements of revenues and expenses and changes in retained earnings, for the years ended September 30 as follows:

	2005	2004
	(In Thousands)	
General County Support Charge	\$ 4,633	\$ 4,075
GSA-Risk Management	1,430	1,524
GSA-Fleet Management & Other	24,773	22,164
Information Technology Dept.	1,574	1,662
Other County Departments	2,895	478
	<u>\$ 35,305</u>	<u>\$ 29,903</u>

9. Closure and Postclosure Care

At September 30, 2005 and 2004, the Department's total liability for landfill closure and postclosure care costs was approximately \$93.2 million and approximately \$83.8 million, respectively. For the fiscal year ended September 30, 2005, approximately \$60.9 million relates to active landfills and approximately \$32.3 million relates to inactive landfills. For the fiscal year ended September 30, 2004, approximately \$52.1 million relates to active landfills and approximately \$31.7 million relates to inactive landfills.

This liability arises from the fact that current laws and regulations require the County to place final covers on landfill cells as they are closed, and perform certain maintenance and monitoring functions at the landfill cell sites for thirty years after closure. These laws and regulations also require the County, on an annual basis, to

disclose the extent of its financial responsibility for the costs involved, which are referred to as “closure and postclosure care” costs. The County was in compliance with these requirements as of September 30, 2005.

The County accounts for and discloses closure and postclosure care costs in accordance with GASB Statement No.18 *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs* (the "Statement"). The Statement requires, among other matters: (1) that the liability for closure and postclosure care costs be estimated based on applicable federal, state or local regulations that were in existence as of the date of the statement of net assets (2) that the cost estimates be reevaluated and adjusted on an annual basis for changes due to inflation or deflation, or for changes due to advancements in technology (3) that a portion of these estimated closure and postclosure costs be recognized in each operating period that the landfill is active, based on the amount of waste received during the period, even though the majority of the costs will not be disbursed until after the landfill cells are closed, and (4) that changes in the estimated costs for closure and postclosure care which occur after the landfill stops accepting waste be recognized entirely in the period of the change.

Expenses for closure and postclosure care are funded from the proceeds of bonds, of which the principal and interest are subsequently repaid from Utility Service Fees assessed on all countywide water and wastewater users, in accordance with Chapter 24 of the Dade County Code (the "Code"). Under the Code, funds collected from this fee can be used for solid waste landfill closure and postclosure care costs that are the financial responsibility of the County, for environmental remediation at landfill sites, and for land acquired to protect groundwater.

Closure and Postclosure Care for Active Landfills

Active landfills consist of the North Dade Landfill (ND), the South Dade Landfill (SD), and the Resources Recovery Ashfill (RR). The change in the closure and postclosure care liability for these landfills for fiscal years 2005 and 2004 are summarized as follows (in millions):

	ND	SD	RR	Total
Balance, 10/01/2004	\$ 23.2	\$ 19.1	\$ 9.8	\$ 52.1
Amortization	1.7	3.7	3.6	9.0
Other Reductions		(.2)		(.2)
Balance, 09/30/2005	<u>\$ 24.9</u>	<u>\$ 22.6</u>	<u>\$ 13.4</u>	<u>\$ 60.9</u>
	ND	SD	RR	Total
Balance, 10/01/2003	\$ 21.5	\$ 16.6	\$ 13.4	\$ 51.5
Amortization	2.1	2.9	(3.5)	1.5
Other Reductions	(.4)	(.4)	(.1)	(.9)
Balance, 09/30/2004	<u>\$ 23.2</u>	<u>\$ 19.1</u>	<u>\$ 9.8</u>	<u>\$ 52.1</u>

The liability balance of approximately \$60.9 million as of September 30, 2005 represents an increase of approximately \$8.8 million when compared to the preceding year. This increase resulted from the combined effects of (1) amortization of approximately \$9.0 million in the current period to adjust the recorded liability to the amount required to be recognized based on the current estimates for closure and postclosure care costs and the use of approximately 80.7% of the existing landfill capacity, and (2) reductions of approximately \$200,000 for amounts paid or due to vendors actually performing closure or postclosure work during the current period on closed “cells” of active landfills.



Unrecognized costs of approximately \$28.5 million as of September 30, 2005 will be recognized on a current basis as the existing estimated capacity of approximately 6.4 million tons at September 30, 2005 is used. This estimated capacity is expected to last until 2011 based on current waste flows.

Closure and Postclosure Care for Inactive Landfills

Inactive landfills consist of the Main Landfill at 58th Street (Main), the Ojus Landfill (Ojus), and the Old South Dade Landfill (OSD).

The bond indenture specifically excludes current period expenses related to the assumption of liabilities for inactive landfills from the definition of operating expenses for purposes of determining the Department's net revenue coverage ratio (Note 4). Under this criterion, approximately \$493,000 in accrued expenses related to Old South Dade landfill site was excluded for the fiscal year ended September 30, 2005. These expenses qualified for the exclusion since the Department had "assumed" responsibility for expediting the closing process for the site in 1996, pursuant to agreements with various federal and state agencies.

The change in the closure and postclosure care liability related to inactive landfills for fiscal years 2005 and 2004 are summarized as follows (in millions):

	Main	Ojus	OSD	Total
Balance, 10/01/2004	\$ 9.2	\$1.1	\$ 21.4	\$ 31.7
Expense/(Credit)	.2		.5	.7
Other Reductions	(.1)			(.1)
Balance, 09/30/2005	<u>\$ 9.3</u>	<u>\$1.1</u>	<u>\$ 21.9</u>	<u>\$ 32.3</u>

	Main	Ojus	OSD	Total
Balance, 10/01/2003	\$ 9.2	\$1.1	\$ 20.8	\$ 31.1
Expense/(Credit)	.1		.6	.7
Other Reductions	(.1)			(.1)
Balance, 09/30/2004	<u>\$ 9.2</u>	<u>\$1.1</u>	<u>\$21.4</u>	<u>\$ 31.7</u>

The liability balance of the inactive landfills for fiscal year 2005 is approximately \$ 32.3 million. When compared to the preceding year, the liability balance increased approximately \$600,000 reflecting the offsetting effects of (1) the expense recognized in the current period of approximately \$700,000, and (2) reductions of approximately \$100,000 for amounts paid or due to vendors actually performing closure and postclosure work during the current period.

Refer to Note 10 for additional information regarding beginning balance, additions, reductions and ending balance of liability for closure and postclosure care costs.

10. Changes in Long-term Liabilities for Fiscal Years 2005 and 2004 are as Follows:

	(In Thousands)				
	Beginning Balance at 10/1/2004	Additions	Reductions	Ending Balance at 9/30/2005	Due Within One Year
Bonds and loans payable:					
Revenue bonds & County Special Obligation Bonds	\$177,075	\$73,507	(\$11,870) (b)	\$238,712	\$13,794 (c)
Loans payable		10,289 (a)		10,289	
Less deferred amounts:					
For issuance Bond Discount-Series 1998	(754)		53	(701)	
Loss on refunding Bonds-Series 1996	(3,010)		513	(2,497)	
Add deferred bond premium					
Series 1996	581		(98)	483	
1997 BANS	148		(11)	137	
Series 2001	484		(30)	454	
Series 2005	-	2,535	(42)	2,493	
County SOB Series 2002A (Subordinate Debt)	1,336		(312)	1,024	
County SOB Series 2004B (Subordinate Debt)	101		(13)	88	
Less Current Portion (due within one year)	(11,870) (b)	(13,794) (c)	11,870 (b)	(13,794) (c)	
Total bonds and loans payable, net of current portion	164,091	72,537	60	236,688	13,794 (c)
Other liabilities:					
Compensated absences and Departure Incentive Program	9,004	611		9,615	3,469
Liability for landfill closure/postclosure care costs	83,779	9,737	(294)	93,222	
Other: (Special Obligations - Arbitrage)	286		(286)		
Other: (Assets held in trust)	1,481			1,481	
Due to Other Fund (GSA Equipment Loan)		1,505		1,505	
Total long-term liabilities	\$258,641	\$84,390	(\$520)	\$342,511	\$17,263 (c)

(a) Re/County's Sunshine State Loan

(b) See current portion of bonds payable fiscal year ended 9/30/2004

(c) See current portion of bonds payable fiscal year ended 9/30/2005



10. Changes in Long-term Liabilities for Fiscal Years 2005 and 2004 are as Follows:

(continued)

	Beginning Balance at 10/1/2003	Additions	Reductions	Ending Balance at 9/30/2004	Due Within One Year
Bonds and loans payable:					
Revenue bonds & County Special Obligation Bonds	\$185,450	\$2,945 (a)	(\$11,320) (b)	\$177,075	\$11,870 (c)
Less deferred amounts:					
For issuance Bond Discount-Series 1998	(807)		53	(754)	
Loss on refunding Bonds-Series 1996	(3,524)		514	(3,010)	
Add deferred bond premium					
Series 1996	681		(100)	581	
1997 BANS	159		(11)	148	
Series 2001	513		(29)	484	
County SOB Series 2002A (Subordinate Debt)	1,695		(359)	1,336	
County SOB Series 2004B (Subordinate Debt)		101 (a)		101 (a)	
Less Current Portion (due within one year)	(11,320) (b)	(11,870) (c)	11,320 (b)	(11,870) (c)	
Total bonds and loans payable, net of current portion	172,847	(8,824)	68	164,091	11,870 (c)
Other liabilities:					
Compensated absences and Departure Incentive Program	7,880	1,134	(10)	9,004	3,337
Liability for landfill closure/postclosure care costs	82,647	2,015	(883)	83,779	
Other: (Special Obligations - Arbitrage)	450		(164)	286 (e)	(d)
Other: (Assets held in trust)	1,481			1,481 (e)	(d)
Total long-term liabilities	\$265,305	(\$5,675)	(\$989)	\$258,641	\$15,207

(a) Re/County's Special Obligation Bonds

(b) See current portion of bonds payable fiscal year ended 9/30/2003

(c) See current portion of bonds payable fiscal year ended 9/30/2004

(d) Other-Special Obligations Arbitrage and Assets held in trust, all long-term.

(e) See Statement of Net Assets as of 9/30/04, total \$1,767

11. Resources Recovery Facility

Montenay-Dade, Ltd. (the "Company") operates a resource recovery facility (the "Facility") for the County, pursuant to the Third Amended and Restated Operations and Maintenance Agreement (the "Amended Agreement") that expires on October 31, 2023, as amended August 2, 2004. The agreement can be automatically extended for up to four additional five-year renewal terms that would expire on October 31, 2043. Solid waste is delivered to the Facility from the County's transfer stations and directly from municipal customers and private haulers. The garbage and trash are processed into refuse derived fuel and then burned in four boilers that produce steam to turn two turbine generators.

Payments made to the Company under the Amended Agreement are primarily for Tipping Fees on the waste processed through the facility, subject to certain delivery and processing guarantees. The Company is also paid a 50% share of the revenues from the sale of electricity generated by the plant and purchased by Florida Power Corporation under a power purchase agreement. Accordingly, these payments are treated as an operations and maintenance expense.

In order to finance ongoing plant enhancements over the years, the County issued various debt instruments on behalf of the Company, which were refunded from the proceeds of the \$182.7 million Dade County, Florida Resource Recovery Facility Refunding Revenue Bonds issued in 1996 (the "Series 1996 Bonds"). The County contributed approximately \$5 million to cover a portion of the Series 1996 Bonds issuance costs. This portion of the issuance costs is included in the Department's other assets and is being amortized over the life of the bonds. Concurrent with the issuance of the Series 1996 Bonds, the Company issued a promissory note in favor of the County for the original principal amount of the Series 1996 Bonds. The County assigned this note to the Trust Estate created pursuant to the Trust Indenture, which provides that the Series 1996 Bonds are payable solely from and secured only by an irrevocable pledge of a lien on the Trust Estate. The County has not pledged any revenues or property (including the Facility) as security for the Series 1996 Bonds. Therefore, the County's obligation for the Series 1996 Bonds is strictly limited to stipulations in the Amended Agreement, which guarantee a minimum amount of annual Tipping Fees. The Series 1996 Bonds are a debt obligation of the Company, and are, therefore, not reflected in the accompanying financial statements. The principal balance of the bonds outstanding at September 30, 2005 is \$86.4 million.

The Bond proceeds were loaned to the Company pursuant to a September 1, 1996 Loan Agreement. This Loan Agreement requires the Company to assign all Tipping Fees and other operating revenues directly to the Trust Estate in an amount that, at a minimum, will equal the debt service requirements on the Series 1996 Bonds.

The County has guaranteed to deliver at least 936,000 tons per year of On-Site Waste for processing at the Facility plus an additional 100,000 tons, if requested by the Company, unless garbage is unavailable for delivery due to circumstances beyond the County's control. In that event, the County has guaranteed to deliver not less than 702,000 tons per year in On-Site Waste and at least 270,000 tons per year in Recyclable Trash. If the County fails to meet these guarantees, the County will be required to pay the agreed Tipping Fees as if it had in fact delivered the guaranteed tonnage. As of September 30, 2005 and 2004, the County was in compliance with the tonnage guarantees.

In addition to the tonnage guarantees, the County has also covenanted to establish rates at a level that will provide receipts in an amount sufficient to meet its obligation for minimum Tipping Fees under the Amended Agreement. In the event such receipts are insufficient, the County has covenanted that for so long as the Series



1996 Bonds are outstanding, it will appropriate in its annual budget, to the extent permitted, available non-ad-valorem revenues in an amount sufficient to meet its obligation for minimum Tipping Fees. This appropriation must be in accordance with the budgetary procedures provided by the laws of the State of Florida.

For fiscal years 2005 and 2004, the County recorded expenses of \$52.6 million and \$53.8 million, respectively, in Tipping Fees to the Company. The rates charged for Tipping Fees as of September 30, 2005 were \$31.95 per ton for on-site waste processing other than tires and \$71.62 per ton for clean shredded tires. These rates are adjusted annually for the consumer price index. The tipping fee for Recyclable Trash processed tons was \$27.46 per ton. Fuel and other by-products not returned to County facilities from the Recyclable Trash received a credit of \$1.65 per ton as a recycle credit fee. In addition, the County also paid a Capital Improvements Project tipping fee of \$2.67 per ton.

Concurrent with the issuance of the Series 1996 Bonds, the County entered into an interest rate swap agreement for purposes of converting the fixed interest payments on the Series 1996 Bonds into variable rate payments. This Agreement, which is also part of the Trust Estate, has no effect on the County's obligation under the Trust Indenture to pay the principal and interest on the Series 1996 Bonds. It provides for the Trustee to pay interest calculated at a variable rate to the counterparty in the swap. The counterparty, in turn, is required to pay the Trustee interest at a fixed rate. Should interest rates increase significantly or there be a significant reduction in marginal income tax rates, the County could be exposed to increased payment obligations through increased Tipping Fees.

On October 23, 1997, the County entered into a second swap agreement to take advantage of the interest rate savings between the variable taxable and tax exempt rates. This Agreement provides for the Trustee to pay interest at a fixed rate to the counterparty in the swap. The counterparty, in turn, pays the Trustee interest at a taxable variable rate. If the counterparty defaults or if the swap is terminated, the County will be exposed to the rates established in the Series 1996 Bonds. Termination may result in the Trustee making or receiving a termination payment. From inception through September 30, 2005, this swap had yielded total savings of approximately \$7.2 million, including negative savings during fiscal years 2005 and 2004 of approximately \$498 thousand and \$276 thousand, respectively.

In the event of termination, the County must find a successor operator. This operator will be required to assume the Company's obligations under the Amended Agreement and Trust Indenture, or pay the Trustee an amount equal to the higher of (1) the Unamortized Capital Cost or (2) the minimum tipping fee amounts due under Section 7.1.9 of the Amended Agreement. The aggregate amounts of estimated Tipping Fees, to be paid under the Amended Agreement for future fiscal years are as follows:

Fiscal Year	Amount
2006	\$ 47,259,316
2007	46,977,440
2008	46,738,669
2009	46,499,521
2010	46,247,912
Thereafter	<u>137,251,633</u>
Total	<u>\$ 370,974,491</u>

The amounts above represent the County's share, net of the Company's contract obligations and the effect of the fixed to variable rate swap arrangements generating positive cash flows. The amounts are based on 936,000 tons of on-site waste plus 270,000 tons of RTI to be processed in fiscal year 2006 and annually thereafter. The amounts were computed using rates effective October 1, 2005.

12. Commitments and Contingencies

Contract Disposal

The Department, as part of its Strategic Plan, has entered into long-term waste disposal contracts with two private regional disposal facility providers, Wheelabrator South Broward, Inc. ("Wheelabrator") and Waste Management Inc. of Florida ("Waste Management"). During fiscal year 2003, the Department exercised its option not to renew the contract with Wheelabrator.

The Waste Management contract is effective until September 30, 2015, with two additional five-year renewal options. Under the terms of the contract, the County must deliver or direct to be delivered, a minimum of 100,000 tons per year to a landfill located in the Town of Medley, Florida. The County may dispose of a combined total of up to 500,000 tons per year at that site or the Central Sanitary Landfill located in Pompano Beach, Florida. The contract fixed the disposal fee paid by the County at \$24.50 per ton until October 1, 1999, providing for annual adjustments thereafter based on increases in the consumer price index (CPI). The disposal fee paid by the County for the first 100,000 tons in fiscal years 2005 and 2004 was \$28.15 and \$27.27 per ton, respectively. As of September 30, 2005, the County was in compliance with this contract.

Litigation

The Department is a defendant in certain legal proceedings, which occur in the normal course of operations. In the opinion of the Department's legal counsel, the ultimate resolution of these legal proceedings are not likely to have a material, adverse impact on the financial position of the Department.

Construction

The Department had contractual commitments of approximately \$900 thousands for construction at September 30, 2005.

Consent Orders

During fiscal year 2005 compliance with the CO (Carbon Monoxide) standard for the facility was over 99.9%.

Montenay Power Corporation (MPC), the RRF plant operator, resolved seven issues including in the following warning letters from the Florida Department of Environmental Protection (FDEP): WL04-0018AS13SED issued October 19, 2004; WL0007AS13SED issued February 24, 2004; WL04-0033AS13SED issued January 3, 2005; and WL05-0001AS13SED issued January 11, 2005 by entering into a Consent Order. Other alleged violations resolved were a CO violation occurring on April 13, 2005, irregularities in stack testing methods, violations in visible emission standards and reporting deficiencies. This Order, OGC File No. 05-1530, includes penalties of \$113,600, which can be paid via implementation of Pollution Prevention (P2) projects. MPC has elected to implement various P2 projects in lieu of paying cash to resolve the matters. The Order, between MPC and FDEP, was fully executed on November 28, 2005.

MPC received a Warning Letter from FDEP for alleged violation on September 23, 2005 of the current CO



standard of 200 ppm. MPC resolved this violation by entering into a short form Consent Order (OGC File No. 05-2451) and paying \$8,000 in penalties and \$250 in administrative fees.

Rates and Fees

The Department's basic residential garbage and trash collection rates per household per year for the fiscal years ended September 30, 2005 and 2004 were as follows:

	2005	2004
Residential Curbside Collection	\$399	\$399
Residential Dumpster Service	\$308	\$308

The residential dumpster service of \$308 per year was established by the Board for the period starting October 1, 2004, increasing the former fee from \$269. This fee applies to approximately 2,576 waste units corresponding to the 2,576 accounts.

The garbage collection fees for commercial and multi-family units ranged from \$214.60 to \$822.59 per month for Customer-owned rollaway and \$230.73 to \$869.25 per month for County-owned rollaway. The fees range depending on the number of collections per week, the size of the rollaway container (dumpster), and ownership (County or customer) of the container.

The Department's basic disposal (tipping fee and transfer fee) fee rates per ton for the fiscal years ended September 30, 2005 and 2004 were as follows:

	2005	2004
Contract Disposal	\$52.25	\$50.65
Non-contract Disposal	\$68.90	\$66.80
Tires	\$75.00	\$75.00
Transfer Fee	\$10.35	\$10.05

The contract disposal rate is only available to long-term contract customers and municipalities with long-term interlocal agreements. The contract rate is increased annually based on the consumer price index.

Waste collection services for the fiscal year ended September 30, 2005, totaled approximately \$125.1 million and comprised approximately 50.5 % of total operating revenues. For the same period, disposal services totaled approximately \$ 75.2 million and comprised approximately 30.4% of total operating revenues.

13. New Accounting Pronouncements

(i) Governmental Accounting Standards Board Statement No.40

During fiscal year 2005, the Department has adopted the provisions of GASB Statement No.40 – *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3*. This Statement addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. The Statement requires certain disclosures of investments that have fair values highly sensitive to changes in interest rates. It also requires disclosure of deposit and investment policies related to the risks identified in the Statement.

(ii) Governmental Accounting Standards Board Technical Bulletin No.2004-2

During fiscal year 2005, the Department has adopted the provisions of GASB Technical Bulletin No. 2004-2 – *Recognition of Pension and Other Postemployment Benefit Expenditures / Expenses and Liabilities by Cost-Sharing Employers*, with regards to pension transactions. This Technical Bulletin clarifies the requirements of GASB Statement No.27 – Accounting for Pensions by State and Local Government Employers. The requirements of GASB Technical Bulletin No.2004-2 as they relate to other postemployment benefits will be adopted simultaneously with the requirements of GASB Statement No.45 – Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions, when it is adopted at a future date.

14. Subsequent Events

Hurricane Wilma

On October 24, 2005, South Florida endured the forces of Hurricane Wilma. Immediately following the storm, the Department diverted operations to cover the hurricane clean-up effort. The Department's cost for this clean-up effort is estimated to reach approximately \$96 million. The Department projects recovery of 87.5% of these costs from the Federal Emergency Management Agency (FEMA) and the State of Florida.



(THIS SECTION LEFT BLANK INTENTIONALLY)



SUPPLEMENTAL SCHEDULES SUPPLEMENTARY FINANCIAL INFORMATION

The following section includes the financial statements of the Solid Waste Disposal and Solid Waste Collection Systems. These systems' financial statements, identified as Supplemental Schedules, are furnished solely as supplementary information and are not required by accounting principles generally accepted in the United States of America.

Disposal System

Supplemental Schedules of Net Assets

	At September 30,	
	2005	2004
	<i>(In thousands)</i>	
ASSETS		
CURRENT ASSETS		
Unrestricted Assets		
Cash & cash equivalents	\$ 12,096	\$ 17,095
Investments	27,984	16,782
Accounts receivable, net	12,851	11,025
Other current assets	491	495
Total Unrestricted Assets	53,422	45,397
Restricted Assets		
Cash & cash equivalents	8,171	7,247
Accounts receivable	7,145	7,081
Total Restricted Assets	15,316	14,328
Total Current Assets	68,738	59,725
NON-CURRENT ASSETS		
Restricted Assets		
Cash & cash equivalents	28,611	27,254
Investments	102,123	34,048
Total Restricted Assets	130,734	61,302
Capital Assets, net	209,661	231,738
Total Capital Assets	209,661	231,738
Other Assets		
Loan receivable from other County funds	407	572
Due from other County funds	15,120	-
Other assets	9,277	7,822
Total Other Assets	24,804	8,394
Total Non-Current Assets	365,199	301,434
TOTAL ASSETS	\$ 433,937	\$ 361,159

Continued

See accompanying independent auditor's report.

	At September 30,	
	2005	2004
	<i>(In thousands)</i>	
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payable from Unrestricted Assets		
Accounts payable and accrued expenses	\$ 5,959	\$ 6,690
Due to other County funds	1,538	1,981
Other current liabilities - compensated absences	1,662	1,584
Other current liabilities - other	166	135
Total Payable from Unrestricted Assets	9,325	10,390
Payable from Restricted Assets		
Accrued interest payable	4,597	3,956
Current portion of bonds & notes payable	10,665	10,115
Accounts payable, restricted	54	257
Total Payable from Restricted Assets	15,316	14,328
Total Current Liabilities	24,641	24,718
LONG-TERM LIABILITIES		
Long-term portion of bonds & notes payable, net	207,871	142,108
Liability for closure & postclosure care costs	93,222	83,779
Other long-term liabilities - compensated absences	4,605	4,257
Other long-term liabilities - other	1,481	1,767
Total Long-Term Liabilities	307,179	231,911
Total Liabilities	331,820	256,629
NET ASSETS		
Invested in Capital Assets, net of Related Debt	35,501	80,309
Restricted for:		
Debt service	15,284	14,071
Other purposes	86,010	59,095
Total Restricted	101,294	73,166
Unrestricted (Deficit)	(34,678)	(48,945)
TOTAL NET ASSETS	\$ 102,117	\$ 104,530

See accompanying independent auditor's report.

Disposal System

Supplemental Schedules of Revenues, Expenses and Changes in Fund Net Assets

	For the years ended September 30,	
	2005	2004
	(In thousands)	
Operating Revenues		
Solid waste disposal services	\$ 75,248	\$ 53,781
Utility service fees	16,657	15,798
Electricity sales	17,504	16,593
Other operating revenues	10,940	10,144
Total Operating Revenues	120,349	96,316
Operating Expenses		
Landfill & disposal operations, net of change in closure & postclosure care cost estimates for active landfills	21,299	13,992
Waste-to-energy	64,191	64,748
Transfer operations	24,601	24,844
Recycling	69	5
Facility maintenance	1,068	1,065
County wide lot clearing	258	115
Enforcement and environmental compliance	3,294	3,381
General and administrative	13,502	10,593
Total	128,282	118,743
Depreciation	25,522	24,342
Closure and Postclosure Care Costs for Inactive Landfills	746	642
Total Operating Expenses	154,550	143,727
Operating Loss	(34,201)	(47,411)
Non-Operating Revenues (Expenses)		
Interest income	2,514	853
Interest expense	(7,681)	(7,754)
Intergovernmental revenue	-	260
Closure grant	(6,453)	-
Other non-operating, net	(390)	(171)
Total Non-Operating Expenses, Net	(12,010)	(6,812)
Changes in Net Assets	\$ (46,211)	\$ (54,223)

See accompanying independent auditor's report.

Waste Collection System

Supplemental Schedules of Net Assets

	At September 30,	
	2005	2004
	(In thousands)	
ASSETS		
CURRENT ASSETS		
Unrestricted Assets		
Cash & cash equivalents	\$ 1,629	\$ 958
Investments	3,727	909
Accounts receivable, net	2,203	2,228
Due from other County funds	49,188	-
Due from other governments	138	1,462
Total Unrestricted Assets	56,885	5,557
Restricted Assets		
Cash & cash equivalents	3,642	2,238
Total Restricted Assets	3,642	2,238
Total Current Assets	60,527	7,795
NON-CURRENT ASSETS		
Restricted Assets		
Cash & cash equivalents	346	6,671
Investments	9,019	8,792
Total Restricted Assets	9,365	15,463
Capital Assets, net	38,134	21,303
Total Capital Assets	38,134	21,303
Other Assets		
Due from other County funds	314	994
Other assets	340	4,708
Total Other Assets	654	5,702
Total Non-Current Assets	48,153	42,468
TOTAL ASSETS	\$ 108,680	\$ 50,263

Continued



Waste Collection System

Supplemental Schedules of Net Assets

	At September 30,	
	2005	2004
	(In thousands)	
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payable from Unrestricted Assets		
Accounts payable and accrued expenses	\$ 40,631	\$ 4,083
Due to other County funds	16,366	322
Other current liabilities - compensated absences	1,807	1,753
Other current liabilities - other	411	293
Total Payable from Unrestricted Assets	59,215	6,451
Payable from Restricted Assets		
Accrued interest payable	513	483
Current portion of bonds and notes payable	3,129	1,755
Total Payable from Restricted Assets	3,642	2,238
Total Current Liabilities	62,857	8,689
LONG-TERM LIABILITIES		
Long-term portion of bonds and notes payable, net	28,817	21,983
Other long-term liabilities - compensated absences	5,010	4,747
Due to other County funds - long term	1,505	-
Total Long-Term Liabilities	35,332	26,730
Total Liabilities	98,189	35,419
NET ASSETS		
Invested in Capital Assets, net of Related Debt	16,482	14,538
Restricted for:		
Debt service	553	497
Other purposes	-	-
Total Restricted	553	497
Unrestricted (Deficit)	(6,544)	(191)
TOTAL NET ASSETS	\$ 10,491	\$ 14,844

See accompanying independent auditor's report.

Waste Collection System

Supplemental Schedules of Revenues, Expenses and Changes in Fund Net Assets

	For the years ended September 30,	
	2005	2004
	<i>(In thousands)</i>	
Operating Revenues		
Solid waste collection services	\$ 125,184	\$ 123,224
Other operating revenues	2,182	2,432
Total Operating Revenues	127,366	125,656
Operating Expenses		
Garbage collection	35,213	34,415
Trash collection	16,113	13,186
Recycling	11,119	10,170
Litter control	1,417	1,384
Enforcement and environmental compliance	2,725	2,730
General and administrative	9,562	9,638
Total	76,149	71,523
Depreciation	4,488	3,571
Total Operating Expenses	80,637	75,094
Operating Income	46,729	50,562
Non-Operating Revenues (Expenses)		
Interest income	570	348
Interest expense	(1,062)	(1,039)
Other non-operating, net	(6,792)	960
Total Non-Operating Revenues (Expenses), Net	(7,284)	269
Changes in Net Assets	\$ 39,445	\$ 50,831

See accompanying independent auditor's report.





STATISTICAL SECTION

(UNAUDITED)



TABLE 1**Schedule of Revenues and Expenses***Last Ten Years (In Thousands)*

OPERATING REVENUE	FY 1996	FY 1997	FY 1998
Tipping Fees	\$43,944	\$46,211	\$44,083
Medley Surcharge	2,529	3,122	1,858
Electrical Revenue	13,481	10,228	10,464
Utility Service Fee	13,381	13,596	13,256
Disposal Facility Fee	3,517	4,757	5,296
Collections Revenue	89,793	92,118	93,468
Other Operating Revenue (1)			427
Total Operating Revenues	166,645	170,032	168,852
OPERATING & MAINTENANCE EXPENSES			
Landfill Operations	6,622	11,904	5,987
Transfer Operations	13,287	14,262	13,717
Waste-to-Energy	43,537	44,805	47,382
Garbage Collections	23,785	25,824	25,419
Trash Collections	12,705	13,120	13,234
Recycling	11,834	8,997	8,999
Other Operating	13,315	18,394	20,583
Total Operating Expenses	125,085	137,306	135,321
Operating Income Before			
Depreciation & Other	41,560	32,726	33,531
Depreciation	19,286	18,342	17,914
Closure and postclosure costs (recovery) for inactive landfills	68,067	22,102	(10,495)
Operating Income (Loss)	(45,793)	(7,718)	26,112
NON-OPERATING REVENUE (EXPENSE)			
Interest Income	7,464	4,689	4,651
Interest Expense	(11,556)	(7,365)	(7,970)
Operating Grants	4,161	3,473	2,502
Other	347	389	(8,002)
Non-Operating Income (Expense), Net	416	1,186	(8,819)
Income (Loss) Before Transfers & Capital Contributions	(45,377)	(6,532)	17,293
OPERATING TRANSFERS (1)	(35,796)	(1,336)	
CAPITAL CONTRIBUTIONS			
Changes in Net Assets	(\$81,173)	(\$7,868)	\$17,293

Note: Revenues and expenses for disposal fees paid by the Collection System to the Disposal System have been eliminated in this presentation.

(1) For fiscal years 1998 through 2001 certain intergovernmental transfers have been included in the total for other non-operating income / (expense), except for 2001 UMSA revenues, which have been reclassified herein to operating revenues to conform with the fiscal years 2002 through 2005 financial statements presentation.

FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
\$49,557	\$56,346	\$45,783	\$51,951	\$52,722	\$53,066	\$74,407
1,901	1,276	1,611	1,031	513	715	841
12,791	15,671	15,080	16,383	19,195	16,593	17,504
14,805	15,323	14,587	14,528	14,824	15,798	16,657
6,905	8,227	8,339	8,089	8,157	8,286	8,955
95,252	97,954	101,912	100,599	104,785	123,224	125,184
2,132	2,190	4,391	3,973	3,946	4,290	4,167
183,343	196,987	191,703	196,554	204,142	221,972	247,715
15,637	28,592	5,290	19,042	12,375	13,992	21,299
14,236	13,196	15,189	16,617	17,418	24,844	24,601
48,925	58,970	61,550	61,366	65,383	64,748	64,191
25,950	24,782	27,924	31,394	32,518	34,415	35,213
12,461	12,067	15,379	16,018	18,429	13,186	16,113
9,089	9,637	9,400	10,106	10,249	10,175	11,188
22,141	23,898	26,346	28,781	28,419	28,906	31,826
148,439	171,142	161,078	183,324	184,791	190,266	204,431
34,904	25,845	30,625	13,230	19,351	31,706	43,284
15,721	14,436	23,454	23,581	25,356	27,913	30,010
3,478	704	(1,000)	(2,412)	798	642	746
15,705	10,705	8,171	(7,939)	(6,803)	3,151	12,528
4,700	6,134	6,265	2,914	1,958	1,201	3,084
(8,525)	(7,954)	(8,777)	(9,224)	(9,623)	(8,793)	(8,743)
2,535	3,642	1,636	181	429	260	
(3,366)	(3,724)	(577)	(607)	259	789	(13,635) (2)
(4,656)	(1,902)	(1,453)	(6,736)	(6,977)	(6,543)	(19,294)
11,049	8,803	6,718	(14,675)	(13,780)	(3,392)	(6,766)
					-	-
		10,569	9,986	973	-	-
\$11,049	\$8,803	\$17,287	(\$4,689)	(\$12,807)	(\$3,392)	(\$6,766)

(2) For fiscal year 2005 this figure includes among others, hurricane expenses of approximately \$5.2 million and closure grant of approximately \$6.5 million.



TABLE II

Solid Waste Stream Components Explained*

Garbage	Trash	Construction and Demolition Debris (C&D)	Agricultural Waste
Source:			
Household and businesses.	Household and businesses.	Construction and demolition projects.	Farming.
Waste types:			
Paper, food waste, glass containers, meal cans, plastics, disposable diapers, aviation ash and recycling residue.	Paper, wood, yard trash textiles, glass, plastics, metals, furniture and other large bulky waste items.	Concrete, brick, wood, metals, glass, and roofing materials	Spoiled or undesirable fruits and vegetables.
Characteristics:			
Contains waste materials that rot, smell, produce liquids, and dissolve in water. Has significant potential to contaminate ground and surface waters. If landfilled it should contain only minute amounts of yard trash.	Contains only minute amounts of food waste. Has lesser potential than garbage to contaminate ground and surface waters.	Generally inert material that does not degrade easily or dissolve in water.	These materials are high in organic content and degrade quickly.
Typical Management Methods:			
Recycling, Class I (lined) landfill or incinerator.	Recycling, Class III landfill (which may not require a liner), Class I lined landfill if yard trash is eliminated, or incinerator.	Recycling, C&D unlined landfill, Class III landfill, Class I landfill.	Typically spread on crop fields to increase organic content of soils.

IMPORTANT NOTE: If a particular waste stream component is mixed with a waste stream component that requires a more stringent method of disposal, the entire waste mix must be disposed of using the more stringent methods. For example: if garbage is mixed with trash the entire mix must be disposed of as garbage. Garbage disposal requirements are more stringent than those for trash alone.

* The above information is introductory in nature and is not intended as an exhaustive analysis.

** This category includes household hazardous waste which is exempt from regulation under RCRA due to small quantities generated by households. Such waste may be lawfully placed in a Class I landfill.

Special Waste	Bio-Medical Waste	Hazardous Waste
Source:		
Environmental clean-up utilities, governments and businesses.	Hospitals, clinics, doctor's offices, and medical research facilities.	Businesses, academic research facilities, and households.**
Waste types:		
Contaminated soil, sewage sludge, tires, sterilized medical waste, asbestos, and dead animals.	Dressing, sharps, body tissues, disposable glass or plastic containers, etc.	Corrosive, reactive, and toxic chemicals classified as hazardous wastes under the Resource Conservation and Recovery Act (RCRA)
Characteristics:		
Materials that require special handling due to their unique composition or concentration. Immediate cover is often required.	Materials with a high potential for spread of disease. Must be separated from other wastes.	Materials with a high potential to contaminate the environment. Human or animal contact with these materials is very dangerous. These materials are often highly flammable, toxic and/or corrosives.
Typical Management Methods:		
Class I landfill.	Medical waste incinerator. Ash or sterilized medical waste must be disposed of in a Class I landfill.	Fuel blending for reuse, chemical neutralization, hazardous waste incinerator, or hazardous waste depending on material type.



TABLE IIIA

Disposal System

Tonnages

REVENUE TONS	FY 1996	FY 1997	FY 1998	FY 1999
Clean Yard Trash	54,701	37,917	47,968	66,273
Garbage	704,147	859,307	883,208	933,714
Trash (1)	609,069	616,561	605,807	627,876
Storm Related Waste			15,865	6,727
C & D	9,170	1,349	344	248
Whole Tires (2)	12,912	12,633	11,819	13,303
Special Waste (3)	40,843	27,357	5,718	5,438
Reduced Fee Cover Material	374,777	3,126	283	
Total Revenue Tons (4)	1,805,619	1,558,250	1,571,012	1,653,579
Ojus/OSD Waste	50,451	146,725	3,148	
Resources Recovery Plant Demolition & Stormwater Drainage & Cleanout material Closure debris from RR ashfill to ND DSWM furniture to ND				
Resources Recovery Capital Expenses		9,952		
Total Tons(4A)/(7)	1,856,070	1,714,927	1,574,160	1,653,579
Equivalent Revenue Tons(4B)	1,528,499	1,586,043	1,571,689	1,653,579

NET DISPOSED TONS:

South Dade Landfill	149,105	301,790	214,653	251,245
North Dade Landfill	341,596	371,615	360,022	374,117
Resources Recovery Net Incinerated	577,100	478,538	557,053	565,712
Resources Recovery Ashfill	184,146	126,848	138,892	143,367
Contract Disposal:				
To Waste Management	93,211	201,402	116,427	140,066
To Wheelabrator	73,821	106,076	92,425	60,505
Total Net Ton's Disposed	1,418,979	1,586,269	1,479,472	1,535,012

(1) Trash includes oversize tires to North Dade Landfill.

(2) Whole tires are accepted at Resources Recovery only.

(3) Special waste is accepted at South Dade Landfill only and includes ash, dead animals, asbestos, contaminated soil, oversize tires, sludge and sterile medical waste.

(4) Total Revenue Tons figure excludes ash from Okeelanta to RR-Ashfill in FY 2000, pursuant to agreement accepted in lieu of fines.

(4A) Total Tons figures herein were reported as Revenue Tons in filings prior to FY 2000. Disposal costs for construction tonnage (Ojus/OSD Waste and RR-Capital Expenses) were reimbursed from capital projects.

FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
107,179	87,551	93,436	96,967	53,707	36,454
911,015	900,246	955,944	1,011,420	1,034,834	1,058,295
668,141	671,102	740,125	725,796	657,097	673,696
68,133	1,982		2,847	19,952	228,023
304	1,328	83	1	20	1
15,742	14,177	13,801	14,869	18,066	24,027
5,140	6,560	6,010	7,960	6,929	5,875
24,042		14,330		20,428	16,620
1,799,696	1,682,946	1,823,729	1,859,860	1,811,033	2,042,991

44

33,442

40

1,799,696	1,682,990	1,823,729	1,859,860	1,844,515	2,042,991
1,780,841	1,682,946	1,812,306	1,859,860	1,794,638	2,029,552

380,538	304,573	363,968	429,150	503,846	740,783
318,200	231,014	331,345	315,522	317,758	344,439
520,894	537,229	565,489	582,394	495,023	495,477
146,705	169,063	147,960	144,100	148,769	140,800
141,457	200,962	122,502	143,107	130,319	114,487
68,654	44,364	51,762	7,670		
1,576,448	1,487,205	1,583,026	1,621,943	1,595,715	1,835,986

(4B) Equivalent Revenue Tons figures reflect the tons necessary to generate the gross revenue received at \$45-\$52.25 per ton; for FY 2000 the difference between Total Revenue Tons and Equivalent Revenue Tons is due to the conversion of reduced fee revenue tonnage to full fee revenue tonnage.

(5) Clean yard trash was treated as regular trash due to citrus canker infestation during 1996 and 1997.

(6) Resources Recovery initiated the Recyclable Trash Improvements facility May 1, 1997, which produces fuel pellets for cogeneration uses.

(7) FY2000 total tons figure herein has been revised to exclude ash from Okeelanta to correct FY2000 error. This ash tonnage is deemed included in trash and garbage tonnage at the time garbage and trash are received.



TABLE IIIA

Disposal System

Tonnages (continued)

	FY 1996	FY 1997	FY 1998	FY 1999
FACILITY RECYCLING				
Clean Yard Trash (5)			21	
Tires to Vendors	28			
Metal to Vendors	24,206	19,182	24,755	28,720
White Goods to Vendor				
Unders to Test				
Ash for Testing				24
RTI Biomass Fuel (6)		64,537	5,952	25,949
RTI Fines Recycling		17,136	4,128	17,104
RTI On-Site Biomass		6,556		
RTI On-Site Fines Recycling		4,344	44,050	33,758
Agripost				
Cow Project	196			
Total Facility Recycling	<u>24,430</u>	<u>111,755</u>	<u>78,906</u>	<u>105,555</u>
RESOURCES RECOVERY PUT OR PAY	<u>903,572</u>	<u>855,572</u>	<u>957,910</u>	<u>990,319</u>
TRANSFER STATION				
Central	201,876	187,874	167,197	202,953
West	294,758	273,512	265,150	267,212
Northeast	216,432	223,556	207,231	206,593
Total Transfer Station	713,066	684,942	639,578	676,758
Non Contractual Diversion	<u>730,000</u>	<u>620,000</u>	<u>648,000</u>	<u>682,000</u>

(1) Trash includes oversize tires to North Dade Landfill.

(2) Whole tires are accepted at Resources Recovery only.

(3) Special waste is accepted at South Dade Landfill only and includes ash, dead animals, asbestos, contaminated soil, oversize tires, sludge and sterile medical waste.

(4) Total Revenue Tons figure excludes ash from Okeelanta to RR-Ashfill in FY 2000, pursuant to agreement accepted in lieu of fines.

(4A) Total Tons figures herein were reported as Revenue Tons in filings prior to FY 2000. Disposal costs for construction tonnage (Ojus/OSD Waste and RR-Capital Expenses) were reimbursed from capital projects.

FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
16	23		7		
25,494	34,889	32,983	36,024	34,978	30,319
	14			7	
102,316	113,257	98,033	143,251	179,484	178,290
27,648	16,523				
2,304	8,824				
34,072	2,289				
<u>191,850</u>	<u>175,819</u>	<u>131,016</u>	<u>179,282</u>	<u>214,469</u>	<u>208,609</u>
<u>1,060,903</u>	<u>1,136,801</u>	<u>1,137,762</u>	<u>1,221,605</u>	<u>1,183,575</u>	<u>1,122,880</u>
205,614	211,237	232,772	234,982	232,381	183,042
280,364	260,088	280,642	293,371	278,503	299,472
212,693	212,720	214,398	204,049	229,297	219,444
698,671	684,045	727,812	732,402	740,181	701,958
<u>639,000</u>	<u>709,000</u>	<u>555,000</u>	<u>726,000</u>	<u>709,000</u>	<u>699,000</u>

(4B) Equivalent Revenue Tons figures reflect the tons necessary to generate the gross revenue received at \$45-\$52.25 per ton; for FY 2000 the difference between Total Revenue Tons and Equivalent Revenue Tons is due to the conversion of reduced fee revenue tonnage to full fee revenue tonnage.

(5) Clean yard trash was treated as regular trash due to citrus canker infestation during 1996 and 1997.

(6) Resources Recovery initiated the Recyclable Trash Improvements facility May 1, 1997, which produces fuel pellets for cogeneration uses.

(7) FY2000 total tons figure herein has been revised to exclude ash from Okeelanta to correct FY2000 error. This ash tonnage is deemed included in trash and garbage tonnage at the time garbage and trash are received.



TABLE III B

Disposal System

Revenue Tons Source

TONNAGE BY SOURCE	FY 1996	FY 1997	FY 1998	FY 1999
Municipalities:				
Bal Harbour Village	5,225	5,500	5,378	5,662
Town of Bay Harbor Islands	87	87	107	126
Village of Biscayne Park	2,597	2,620	2,724	2,767
City of Coral Gables	34,805	33,891	36,123	37,560
Florida City				
Golden Beach	10	1	9	
City of Hialeah	1,341	66,684	78,707	80,075
Hialeah Gardens				402
City of Homestead	21,152	22,330	23,983	26,006
City of Miami	110,080	160,796	167,156	173,673
City of Miami Beach	1,522	1,709	1,735	2,117
Village of Miami Shores	464	6,550	8,109	8,253
City of Miami Springs	8,906	10,850	12,190	11,378
City of North Bay Village	3,459	3,649	3,697	3,637
City of North Miami	24,120	24,079	24,795	26,265
City of North Miami Beach	16,750	31,188	34,294	37,505
City of Opa-Locka	9,234	8,817	8,806	8,754
City of South Miami	10,758	10,678	10,794	10,425
Town of Surfside	2,208	4,305	4,440	4,404
City of Sweetwater	1,592	1,828	2,156	2,350
Virginia Gardens				1
City of West Miami	2,929	2,946	2,901	3,122
Total Municipalities	257,239	398,508	428,104	444,482

(1) FY2000 total tons figure herein has been revised to exclude ash from Okeelanta to correct FY2000 error. This ash tonnage is deemed included in trash and garbage tonnage at the time garbage and trash are received.

(2) Equivalent Revenue Tons figure reflects the tons necessary to generate the gross revenue received at \$45-\$52.25 per ton; for FY2000 the difference between Total Rev. Tons & Eq. Rev. Tons is due to the conversion of reduced fee revenue tonnage to full fee revenue tonnage.

(3) Combined with other permit haulers in FY 2003.

(4) In prior years, this tonnage figure was reported on table 4A. This tonnage represents landscaper activity at the landfills.

FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
6,095	5,634	5,536	5,762	5,855	6,069
172	193	189	207	307	289
3,034	2,765	2,750	2,211	2,459	2,612
41,713	20,467	13,366	20,735	24,207	27,516
	1				
	164	181	91	98	240
82,404	83,468	85,711	87,216	88,978	91,956
779	1,150	1,531	1,539	1,808	1,987
30,191	31,343	33,186	37,996	40,130	44,900
177,712	171,892	188,685	193,534	177,297	181,402
3,257	2,579	4,189	4,387	4,351	5,648
7,904	7,972	6,917	6,938	8,200	13,393
11,518	10,360	10,377	11,481	11,944	10,648
3,831	4,010	4,382	4,636	4,987	4,983
27,779	27,729	28,027	25,385	27,234	30,332
38,786	37,657	38,755	40,388	41,677	42,192
11,451	8,913	9,214	9,335	77	235
10,416	10,273	10,293	9,828	10,937	14,735
4,639	4,771	4,882	5,035	5,240	5,225
3,054	3,203	2,662	2,900	3,367	3,075
3,338	3,446	3,331	3,495	3,817	3,695
468,073	437,990	454,164	473,099	462,970	491,132



TABLE III B

Disposal System

Revenue Tons Source (continued)

	FY 1996	FY 1997	FY 1998	FY 1999
Permitted Haulers				
BFI	272,656	305,198	303,389	303,659
WMI	91,988	88,202	91,328	91,820
Onyx (3)				13,741
Other Permitted Haulers	67,402	59,699	49,950	63,785
Total Permitted Haulers	432,046	453,099	444,667	473,005
DSWM Collections	632,909	610,541	642,720	670,576
Permitted Landscapers				
DSWM County-wide Lot Clearing				
Other Governmental	104,712	92,780	55,138	65,430
MRF and Namco Recycling Residue	3,936	196	100	86
Subtotal Full Fee Revenue Tons	1,430,842	1,555,124	1,570,729	1,653,579
Reduced Fee Cover Material	374,777	3,126	283	
Total Revenue Tons	1,805,619	1,558,250	1,571,012	1,653,579
DSWM Construction Tons	50,451	156,677	3,148	
Closure debris from RR ashfill to ND				
DSWN furniture to ND (no fee)				
Resources Recovery Plant Demolition &				
Stormwater Drainage & Cleanout material				
Total Tons (1)	1,856,070	1,714,927	1,574,160	1,653,579
Equivalent Revenue Tons (2)	1,528,499	1,586,043	1,571,689	1,653,579

(1) FY2000 total tons figure herein has been revised to exclude ash from Okeelanta to correct FY2000 error. This ash tonnage is deemed included in trash and garbage tonnage at the time garbage and trash are received.

(2) Equivalent Revenue Tons figure reflects the tons necessary to generate the gross revenue received at \$45-\$52.25 per ton; for FY2000 the difference between Total Rev. Tons & Eq. Rev. Tons is due to the conversion of reduced fee revenue tonnage to full fee revenue tonnage.

(3) Combined with other permit haulers in FY 2003.

(4) In prior years, this tonnage figure was reported on table 4A. This tonnage represents landscaper activity at the landfills.

FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
252,738	224,611	233,170	237,874	234,928	230,868
93,294	90,959	91,191	92,281	93,056	88,152
14,393	3,789	12,709			
72,986	78,116	95,009	90,675	99,038	139,328
433,411	397,475	432,079	420,830	427,022	458,348
750,381	768,670	843,696	885,765	834,101	971,212
				(4)	35,857
16,609	2,269	2,708	2,355	2,851	2,989
107,166	76,542	76,752	77,811	63,661	66,833
14					
1,775,654	1,682,946	1,809,399	1,859,860	1,790,605	2,026,371
24,042		14,330		20,428	16,620
1,799,696	1,682,946	1,823,729	1,859,860	1,811,033	2,042,991
				33,442	
				40	
	44				
1,799,696	1,682,990	1,823,729	1,859,860	1,844,515	2,042,991
1,780,841	1,682,946	1,812,306	1,859,860	1,794,638	2,029,552



TABLE IV A
Collection System

Tonnage by Type

	FY 1996	FY 1997	FY 1998	FY 1999
GARBAGE	<u>319,941</u>	<u>331,542</u>	<u>345,258</u>	<u>363,136</u>
TRASH				
Bulky Waste	64,934	51,881	57,749	57,607
Clean Yard Trash				
Total Bulky Waste	<u>64,934</u>	<u>51,881</u>	<u>57,749</u>	<u>57,607</u>
ILLEGAL DUMPING				
Illegal Dumped Waste	14,667	17,175	14,282	16,747
Illegal Tires	<u>2,666</u>	<u>2,237</u>		<u>1,395</u>
Total Illegal Dumping	<u>17,333</u>	<u>19,412</u>	<u>14,282</u>	<u>18,142</u>
NEIGHBORHOOD TRASH & RECYCLING CENTERS				
Trash (Household and Non-household)	174,315	167,689	162,239	162,380
Other Trash- Landscapers				
Clean Yard Trash				
Tires	1,177	1,202	1,064	973
Other Waste			60	84
Total Neighborhood T & R Center	<u>175,492</u>	<u>168,891</u>	<u>163,363</u>	<u>163,437</u>
GOVERNMENT ACCOUNTS				
Trash	2,761	3,725	3,588	4,786
Whole Tires	<u>89</u>	<u>40</u>	<u>86</u>	<u>23</u>
Total Trash Government Accounts	<u>2,850</u>	<u>3,765</u>	<u>3,674</u>	<u>4,809</u>
BI-WEEKLY YARD TRASH				
LOT CLEARING (CAT3)				703
ADOPT-A-SPOT				
SPECIAL CLEANUPS				
OVERSIZED VEHICLES FR T&R CENTERS			807	650
DSWM LITTER PROGRAM				
DEMOLITION TONNAGE			761	
PERMITTED LANDSCAPERS	<u>52,359</u>	<u>35,050</u>	<u>43,999</u>	<u>57,192</u>
TOTAL TRASH	<u>312,968</u>	<u>278,999</u>	<u>284,635</u>	<u>302,540</u>
TOTAL TRASH AND GARBAGE	<u>632,909</u>	<u>610,541</u>	<u>629,893</u>	<u>665,676</u>

(1) From FY 05 and forward this tonnage figure is being reported on table 3B. This tonnage represents landscaper activity at the landfills.

FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
<u>382,100</u>	<u>393,618</u>	<u>416,418</u>	<u>439,649</u>	<u>452,736</u>	<u>465,989</u>
69,438	72,537	71,426	75,947	91,603	97,327
<u>69,438</u>	<u>72,537</u>	<u>71,426</u>	<u>75,947</u>	<u>91,603</u>	<u>99,020</u>
10,105	7,628	11,910	7,597	1,488	1,738
<u>1,394</u>	<u>1,268</u>	<u>1,102</u>	<u>698</u>	<u>500</u>	<u>274</u>
<u>11,499</u>	<u>8,896</u>	<u>13,012</u>	<u>8,295</u>	<u>1,988</u>	<u>2,012</u>
155,706	193,857	233,962	249,179	159,875	148,782
				43,434	26,569
880	779	860	945	929	757
<u>32</u>	<u>60</u>	<u>40</u>	<u>39</u>	<u>59</u>	<u>52</u>
<u>156,618</u>	<u>194,696</u>	<u>234,862</u>	<u>250,163</u>	<u>204,297</u>	<u>176,160</u>
4,867	7,436	7,792	6,630	5,888	6,486
<u>43</u>	<u>71</u>	<u>60</u>	<u>17</u>	<u>92</u>	<u>28</u>
<u>4,910</u>	<u>7,507</u>	<u>7,852</u>	<u>6,647</u>	<u>5,980</u>	<u>6,514</u>
1,656	6,205	5,709	4,061	868	1,185
	146	11			
	1,427				17
1,220	1,350	955	759	680	563
<u>752</u>	<u>647</u>	<u>1,141</u>	<u>1,303</u>	<u>1,134</u>	<u>1,064</u>
2,360	2,322				
<u>68,182</u>	<u>77,784</u>	<u>92,310</u>	<u>96,094</u>	<u>53,028</u> (1)	
<u>316,635</u>	<u>373,517</u>	<u>427,278</u>	<u>443,269</u>	<u>359,578</u>	<u>286,535</u>
<u>698,735</u>	<u>767,135</u>	<u>843,696</u>	<u>882,918</u>	<u>812,314</u>	<u>752,524</u>



TABLE IV A
Collection System

Tonnage by Type (continued)

	FY 1996	FY 1997	FY 1998	FY 1999
STORM RELATED TONNAGE			12,827	4,900
Garbage				
Trash (curbside)				
HURRICANE DEBRIS				
Roadway Clearance				
Trash & Recycling Centers				
Litter Program				
Oversized Vehicles from T&R Centers				
Government Accounts				
TOTAL STORM RE/ TONNAGE & HURRICANE DEBRIS	-	-	12,827	4,900
TOTAL GARBAGE, TRASH & STORM RE/TONNAGE & HURRICANE DEBRIS	632,909	610,541	642,720	670,576
RECYCLED CLEAN YARD TRASH	2,202	-	-	-
RECYCLABLES (T & R CENTERS)				
Phone Books				
Newspaper/Cardboard	281	180		
Glass				
Aluminum				
Plastic Bottles				
White Goods	4,970	4,927	2,959	3,570
Ferrous Metal				
TOTAL T&R RECYCLABLES	5,251	5,107	2,959	3,570
CURBSIDE RECYCLABLES				
Phone Books	60	81	81	
Newspaper/Cardboard	24,552	25,237	25,685	26,277
Glass Bottles	11,985	12,393	10,425	11,732
Aluminum	631	571	501	497
Plastic Bottles & Other Plastics	3,297	3,585	3,330	4,220
Steel Cans	2,237	2,335	1,924	1,907
Batteries	11	7	3	8
Septic & Gable Containers		75	33	80
TOTAL CURBSIDE RECYCLABLES	42,773	44,284	41,982	44,721

(1) From FY 05 and forward this tonnage figure is being reported on table 3B. This tonnage represents landscaper activity at the landfills.

FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
51,646	1,535				
			278	1,724	2,462
			2,569	5,728	18,069
					173,798
				14,261	23,949
				3	72
					16
				71	322
51,646	1,535		2,847	21,787	218,688
750,381	768,670	843,696	885,765	834,101	971,212
-	-	-	-	-	-
4,711	5,155	4,064	6,415	6,729	6,060
4,711	5,155	4,064	6,415	6,729	6,060
	32				
26,967	23,235	22,134	21,163	19,240	19,451
12,334	9,706	9,568	9,265	9,598	10,346
529	494	434	412	333	275
3,583	3,875	4,272	4,181	4,108	3,893
2,133	1,852	1,652	1,462	1,373	1,227
10	3				
83	126	114	124	1,418	120
45,639	39,323	38,174	36,607	36,070	35,312



TABLE IV B

Collection System

Tonnage by Facility

	FY 1996	FY 1997	FY 1998	FY 1999
COLLECTIONS DISPOSAL				
Transfer Station				
Garbage	240,992	237,941	207,233	217,211
Storm Related Tonnage				101
Trash	151,010	125,915	100,101	109,414
Total Transfer Station	392,002	363,856	307,334	326,726
South Dade Landfill				
Garbage	70,124	73,866	82,227	84,965
Storm Related Tonnage			2,082	1,005
Trash	65,513	63,325	68,212	74,522
Clean Yard Trash	21,107	22,399	26,937	36,078
Total South Dade Landfill	156,744	159,590	179,458	196,570
North Dade Landfill				
Trash	38,019	51,758	65,577	54,308
Storm Related Tonnage			10,766	3,751
Clean Yard Trash	31,252	12,651	17,062	21,114
Total North Dade Landfill	69,271	64,409	93,405	79,173
Resource Recovery				
Garbage	8,825	19,716	55,798	60,960
Storm Related Tonnage			116	43
Trash	6,068	4,847	5,519	6,016
Clean Yard Trash				
Total Resource Recovery	14,893	24,563	61,433	67,019

Note: 1996-1998 fee: \$45/\$59 per ton, 1999 fee: \$45.65/\$60 per ton, 2000 fee: \$46.35/\$61 per ton, 2001 fee: \$47.95/\$63.15 per ton, 2002 fee: \$49.30/\$64.95 per ton, 2003 fee: \$49.65/\$65.45 per ton, 2004 fee: \$50.65/\$66.80 per ton, 2005 fee: \$52.25/\$68.90 per ton.

(1) The eliminating entry between funds totaled approximately \$36.4million; it included certain other subobjects and excluded a minor part of the hurricane-disposal-cost-reclassification.

(2) The eliminating figures herein exclude hurricane disposal costs elimination of approximately \$2 million.

FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
232,275	251,447	279,377	290,375	293,249	314,743
19,147	904		1,724	2,237	13,168
115,174	112,877	125,414	111,224	108,304	84,383
366,596	365,228	404,791	403,323	403,790	412,294
91,133	88,716	93,347	104,841	112,004	116,409
15,457	357			7,092	158,188
75,707	88,806	99,265	114,305	97,418	94,368
40,894	45,438	56,382	59,290	30,320	
223,191	223,317	248,994	278,436	246,834	368,965
43,407	65,703	72,414	77,540	52,398	66,779
11,541	207		983	7,568	41,217
27,288	32,346	35,928	36,572	16,929	
82,236	98,256	108,342	115,095	76,895	107,996
58,692	53,455	43,694	44,433	47,483	34,837
2,965	67		140	4,890	6,115
12,832	27,190	37,255	43,362	48,044	40,793
			232	5,779	
74,489	80,712	80,949	88,167	106,196	81,745



TABLE IV B

Collection System

Tonnage by Facility (continued)

	FY 1996	FY 1997	FY 1998	FY 1999
Medley Landfill				
Garbage		19		
Storm Related Tonnage				
Trash		104	1,090	1,088
Total Medley Landfill		123	1,090	1,088
SUMMARY				
Collections Disposal				
Garbage	319,941	331,542	345,258	363,136
Storm Related Tonnage				4,900
Trash	260,610	245,949	240,636	245,348
Clean Yard Trash	52,359	35,050	43,999	57,192
Total Collections Disposal	632,910	612,541	629,893	670,576
DISPOSAL FEE SUMMARY				
GARBAGE DIVISION	\$16,641,153	\$17,109,665	\$17,404,511	\$18,304,790
TRASH DIVISION	\$15,588,172	\$13,874,309	\$13,829,497	\$15,039,927
Total Collections	\$32,229,325	\$30,983,974	\$31,234,008	\$33,344,717
Sweetwater Tonnage & Disposal Fee Summary				
Disposal Fee (Trash Division)	\$85,961	\$98,875	\$115,445	\$128,682
Total Disposal Fees paid by Collection	\$32,315,286	\$31,082,849	\$31,349,453	\$33,473,399

Note: 1996-1998 fee: \$45/\$59 per ton, 1999 fee: \$45.65/\$60 per ton, 2000 fee: \$46.35/\$61 per ton, 2001 fee: \$47.95/\$63.15 per ton, 2002 fee: \$49.30/\$64.95 per ton, 2003 fee: \$49.65/\$65.45 per ton, 2004 fee: \$50.65/\$66.80 per ton, 2005 fee: \$52.25/\$68.90 per ton.

(1) The eliminating entry between funds totaled approximately \$36.4million; it included certain other subobjects and excluded a minor part of the hurricane-disposal-cost-reclassification.

(2) The eliminating figures herein exclude hurricane disposal costs elimination of approximately \$2 million.

FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
2,536					
1,333	1,157	620	744	386	212
3,869	1,157	620	744	386	212
382,100	393,618	416,418	439,649	452,736	465,989
51,646	1,535		2,847	21,787	218,688
248,453	295,733	334,968	347,175	306,550	286,535
68,182	77,784	92,310	96,094	53,028	
750,381	768,670	843,696	885,765	834,101	971,212
\$19,692,082	\$21,234,346	\$23,331,593	\$22,445,338	\$25,946,874	\$27,636,798
\$15,734,090	\$19,041,895	\$22,293,426	\$25,532,622	\$20,381,568	\$15,969,195
\$35,426,172	\$40,276,241	\$45,625,019	\$47,977,960	\$46,328,442	\$43,605,993
\$169,395	\$185,779	\$146,252	\$172,440	\$204,047	\$191,768
\$35,595,567 (1)	\$40,462,020	\$45,771,271	\$48,150,400	\$46,532,489	\$43,797,761 (2)



TABLE V

Collection System

Customer Statistics

	FY 1996	FY 1997	FY 1998	FY 1999
HOUSEHOLDS (5)				
Units as of October 1st	250,600	254,900	264,600	269,710
Units as of September 30th	254,900	264,600	269,710	275,026
Billed by Tax	249,712	254,174	263,169	273,459
Billed October 1st	840	740	782	850
Net Growth	3,400	6,200	5,072	5,316
Take-in- area (4)		3,600		
Average Annual Number of Units	253,800	261,000	267,000	272,497
HOUSEHOLD/COMMERCIAL (6)				
Units as of October 1 (1)	3,600	3,900	3,900	3,868
Billed by Tax	2,900	2,900	2,900	2,891
Billed During the Year	319	1,000	1,000	973
Average Annual Number of Units	3,800	3,900	3,900	3,864
CITY OF MIAMI HUD				
Households (5)	100	100	100	104
Household/commercial (6)	950	970	970	973
COMMERCIAL				
Units as of October 1	1,500	1,300	1,300	1,225
Average Annual Units	1,360	1,280	1,240	1,168
Rollaway (Dumpsters)	30	30	30	28
RECYCLING:				
Outside Department Service Area-Household (2)	8,900	5,600	5,500	5,118
Participating Municipalities Households	23,000	23,000	23,000	23,056
LANDSCAPE PERMITS				
Permits	900	900	1,000	1,093
Trucks	1,000	1,100	1,200	1,362
Fee Per Unit (Collection's Service)				
Fee Including Recycling)	\$349	\$349	\$349	\$349
Waste Collected by Department as % of Total Tipped (3)	40.50%	39.20%	39.50%	40.55%

(1) Change in method beginning fiscal year 1995 from number of waste units of living units billed.

(2) Reduction after fiscal 1996 due to expanded take-in areas.

(3) FY 1996 on total equivalent revenue tons used.

(4) Residential Units due to take-in area.

(5) Households include residential dumpsters and City of Miami HUD households.

(6) Household/Commercial include City of Miami HUD Commercial

FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
275,026	280,053	285,549	290,153	296,969	302,313
280,053	285,549	290,153	296,969	302,313	309,907
278,749	284,053	289,178	295,733	301,007	306,037
787	645	343	736	522	731
5,027	5,496	4,604	6,816	5,344	7,594
<u>277,377</u>	<u>282,593</u>	<u>287,926</u>	<u>293,410</u>	<u>299,747</u>	<u>306,713</u>
3,849	3,837	3,804	3,646	3,673	3,673
2,860	2,845	2,822	2,792	2,803	2,832
973	972	873	857	870	841
<u>3,853</u>	<u>3,827</u>	<u>3,667</u>	<u>3,685</u>	<u>3,673</u>	<u>3,685</u>
104	104	104	104	104	104
973	972	873	857	857	857
1,145	1,076	1,004	960	896	880
1,090	1,021	977	916	880	870
29	28	28	29	29	29
4,915	4,784	4,320	3,363	3,259	3,189
23,056	23,056	23,056	23,104	23,137	23,293
1,067	1,178	1,234	1,080	791	848
1,424	1,561	1,611	1,431	1,046	1,259
\$349	\$349	\$349	\$349	\$399	\$399
42.14%	45.67%	46.55%	47.63%	46.48%	47.85%



(THIS SECTION LEFT BLANK INTENTIONALLY)



TABLE VI

Revenue by Type

TYPE	DESCRIPTION	FY 2003	FY 2004	FY 2005
<i>(In thousands)</i>				
Collections Revenue	Received for curbside collection of garbage and trash. Customers as equivalent residential units at September 30, 2005, 2004 and 2003 were 309,907, 302,313 and 296,969, respectively. DSWM provides solid waste collection service to unincorporated Miami-Dade County residential units (single-family, townhomes, cluster homes , etc.). Additionally, DSWM provides waste collection services to the City of Sweetwater through a long-term interlocal agreement. In November 1995, the City of Aventura entered into an interlocal agreement authorizing the County to provide waste collection services on an interim basis. DSWM continues to provide these services to the City of Aventura although the original agreement is no longer in effect; however, the number of units served is minimal (approximately 200 units). DSWM serves the Village of Pinecrest, Sunny Isles Beach, the Town of Miami Lakes, the Village of Palmetto Bay, the City of Miami Gardens and the City of Doral; all these pursuant to Ordinance 96-30.	\$ 104,785	\$ 123,224	\$ 125,184
Tipping Fees	The County charges tipping fees for use of its disposal facilities. Municipalities with long term interlocal agreements received disposal services at a disposal fee of \$52.25, \$50.65, and \$49.65 per ton during fiscal years 2005, 2004 and 2003, respectively. These fees are subject to annual increases based on Consumer Price Index (CPI). There were 18 cities with interlocal agreements as of September 30, 2005. Private haulers with long term contracts for disposal also received the \$52.25 tipping fee per ton; at September 30, 2005, 18 private haulers were receiving the lower fee. County agencies also received the \$52.25 tipping fee. For waste delivered to one of the County's regional transfer stations the additional charge was \$10.35 per ton during fiscal year 2005. The non-contractual rate was \$68.90 per ton during fiscal year 2005.	52,722	53,066	74,407
Medley Surcharge	The Department receives a surcharge on each ton of waste disposed at the Medley Landfill by Waste Management, pursuant to the agreement approved by the Board of County Commissioners on July 21, 1998 .	513	715	841
Electrical Revenue	The Department receives electrical revenue from the sale of electricity produced at the Resources Recovery waste-to-energy facility.	19,195	16,593	17,504
Utility Service Fee	Revenues directed to the DSWM based on 3 1/2% out of the 7 1/2% surcharge on water and waste water bills countywide. By code limited to closure, postclosure care and other groundwater protection programs.	14,824	15,798	16,657
Disposal Facility Fee	Since fiscal year 1996, private haulers have been assessed a fee based on a percentage of their gross receipts from their customers located in unincorporated Miami-Dade County. The fee has been 15% in fiscal years 2003, 2004 and 2005. The fee is used to ensure capacity in operations.	8,157	8,286	8,955
Other Operating Revenue	Includes office rental income, parking facilities revenue, code enforcement fines, permit fees, UMSA and other miscellaneous income.	3,946	4,290	4,167
Total		<u>\$ 204,142</u>	<u>\$ 221,972</u>	<u>\$ 247,715</u>



TABLE VII

Resources Recovery

Electrical Revenues

	FY 1996	FY 1997 (1)	FY 1998	FY 1999
Total Electrical Revenue	<u>\$13,480,508</u>	<u>\$10,228,431</u>	<u>\$10,463,315</u>	<u>\$12,790,773</u>
Deducted Expenses:				
Electricity Costs	\$146,694	\$319,473	\$218,493	\$212,274
Other Related Costs	\$1,887,067	\$1,800,455	\$1,552,162	\$1,462,010 (4)
Net Miami-Dade County Revenue	\$5,796,752	\$4,178,811	\$4,476,931	\$5,663,563
Net Montenay Power Corporate Revenue	\$5,649,995	\$3,710,980	\$4,166,814	\$5,452,926
KWH Produced	317,235,000	220,496,000	270,281,000	291,859,000

(1) Reflects the effects of a fire June 30, 1997 in the facility's fuel conveyors. The facility did not produce electricity until the end of August 1997.

(2) Includes a one time payment of \$2.15 million pursuant to a settlement agreement among FPC, the Operator and the County.

(3) Includes transmission charges adjustments totaling approximately \$765,000.

(4) FY 99-2000 figures herein have been revised to include FPC & Doral Station costs.

FY 2000		FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
<u>\$15,671,226</u> (2)		<u>\$15,080,963</u>	<u>\$16,383,434</u>	<u>\$19,194,513</u>	<u>\$16,592,996</u>	<u>\$17,503,843</u>
\$282,061		\$294,945	\$374,033	\$378,702	\$323,197	\$346,003
\$1,015,133 (3)(4)		\$1,369,932	\$1,459,016	\$1,452,834	\$1,434,003	\$1,428,529
\$7,328,046		\$6,855,512	\$7,462,209	\$8,870,839	\$7,579,497	\$8,037,657
\$7,045,986		\$6,560,574	\$7,088,176	\$8,492,137	\$7,256,299	\$7,691,654
269,207,000		288,535,000	277,327,000	297,098,000	250,563,000	233,258,000



TABLE VIII

Home Chemical Collection Program

	FY 1996	FY 1997	FY 1998	FY 1999
PARTICIPANTS				
Florida International University - North				
Miami Dade Community College - North				44
Miami Dade Community College - South			667	440
South Dade Government Center				
Biscayne Greyhound Track				
Homestead		324		109
Joe Robbie Stadium				
Permanent Center				474
Total Participants	N/A	324	667	1,067
POUNDS COLLECTED				
Florida International University - North				
Miami Dade Community College - North				2,992
Miami Dade Community College - South			64,201	29,877
South Dade Government Center				
Biscayne Greyhound Track				
Homestead		36,375		5,609
Joe Robbie Stadium				
Homestead				
Permanent Center **	509,402	305,819		195,960
Total Pounds Collected	509,402	342,194	64,201	234,438
TOTAL VENDOR DISPOSAL COST				
Florida International University - North				
Miami Dade Community College - North				\$3,410
Miami Dade Community College - South			\$50,731	\$34,060
South Dade Government Center				
Biscayne Greyhound Track				
Homestead		\$45,219		\$11,323
Joe Robbie Stadium				
Permanent Center	\$55,009	\$51,288		\$76,436
Total Cost	\$55,009	\$96,507	\$50,731	\$125,229
Average Cost Per Pound	\$0.11	\$0.28	\$0.79	\$0.53
Average Cost Per Participant	N/A	N/A	\$76	\$117

Area specific programs were discontinued in fiscal year 1995 in favor of a permanent drop-off site.

** Includes used oil dropped off at T & R Centers

(1) Figures reported in 1998 have been revised herein.

(2) Reinstated mobile events for unincorporated areas in 1999.

(3) Permanent Center includes used oil collection.

FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
		115	92	98	123
40	87				
348	618	646	475		
				298	227
115	130	94	42	73	
769	1,005	1,538	1,656	1,738	2,170
1,272	1,840	2,393	2,265	2,207	2,520
		15,791	6,711	7,916	12,601
2,869	4,533				
27,959	29,844	99,418	21,941		
				13,484	23,335
18,628	8,513	11,726	6,698	8,629	
380,196	380,228	394,389	264,360	224,015	277,722
429,652	423,118	521,324	299,710	254,044	313,658
		\$13,746	\$13,861	\$15,256	\$14,383
\$14,494	\$12,887				
\$36,391	\$35,789	\$36,399	\$25,881		
				\$18,599	\$23,170
\$19,846	\$15,067	\$14,851	\$12,425	\$11,567	
\$98,923	\$216,912	\$133,050	\$129,824	\$170,039	\$210,654
\$169,654	\$280,655	\$198,046	\$181,991	\$215,461	\$248,207
\$0.39	\$0.66	\$0.38	\$0.61	\$0.85	\$0.79
\$133	\$153	\$83	\$80	\$98	\$98

(4) Conversion for used oil is 8 pounds per gallon.

(5) Florida International Univ. (North Campus) selected as new "North" site in FY2002.

(6) This table excludes figures for latex paint and e-waste.

(7) Heavy rains all day during Spring Event (FIU & MDCC South).



(THIS SECTION LEFT BLANK INTENTIONALLY)



TABLE IX
Population – Dade County, Florida

Selected years 1900-2005

YEAR	RESIDENT POPULATION	INCREASE (DECREASE)	ANNUAL PERCENT CHANGE
1900	4,995	-	-
1910	11,933	6,938	13.9%
1920	42,752	30,819	25.8%
1930	142,955	100,203	23.4%
1940	267,739	124,784	8.7%
1950	495,084	227,345	8.5%
1960	935,047	439,963	8.9%
1970	1,267,792	332,745	3.6%
1980	1,625,781	357,989	2.8%
1990	1,967,000	341,219	2.1%
1991	2,001,032	34,032	1.7%
1992	2,022,862	21,830	1.1%
1993	1,995,292	(27,570)	-1.4%
1994	2,037,315	42,023	2.1%
1995	2,084,205	46,890	2.3%
1996	2,124,885	40,680	2.0%
1997	2,157,208	32,323	1.5%
1998	2,189,719	32,511	1.5%
1999	2,221,630	31,911	1.5%
2000	2,253,485	31,855	1.4%
2001	2,283,319	29,834	1.3%
2002	2,313,047	29,728	1.3%
2003	2,342,739	29,692	1.3%
2004	2,372,418	29,679	1.3%
2005	2,042,105	29,687	1.3%

Source: U.S. Bureau of the Census figures 1900-2000; Miami-Dade County Department of Planning and Zoning, Research Section 2001-2005.



TABLE X

Solid Waste Locations and Service Area Boundaries

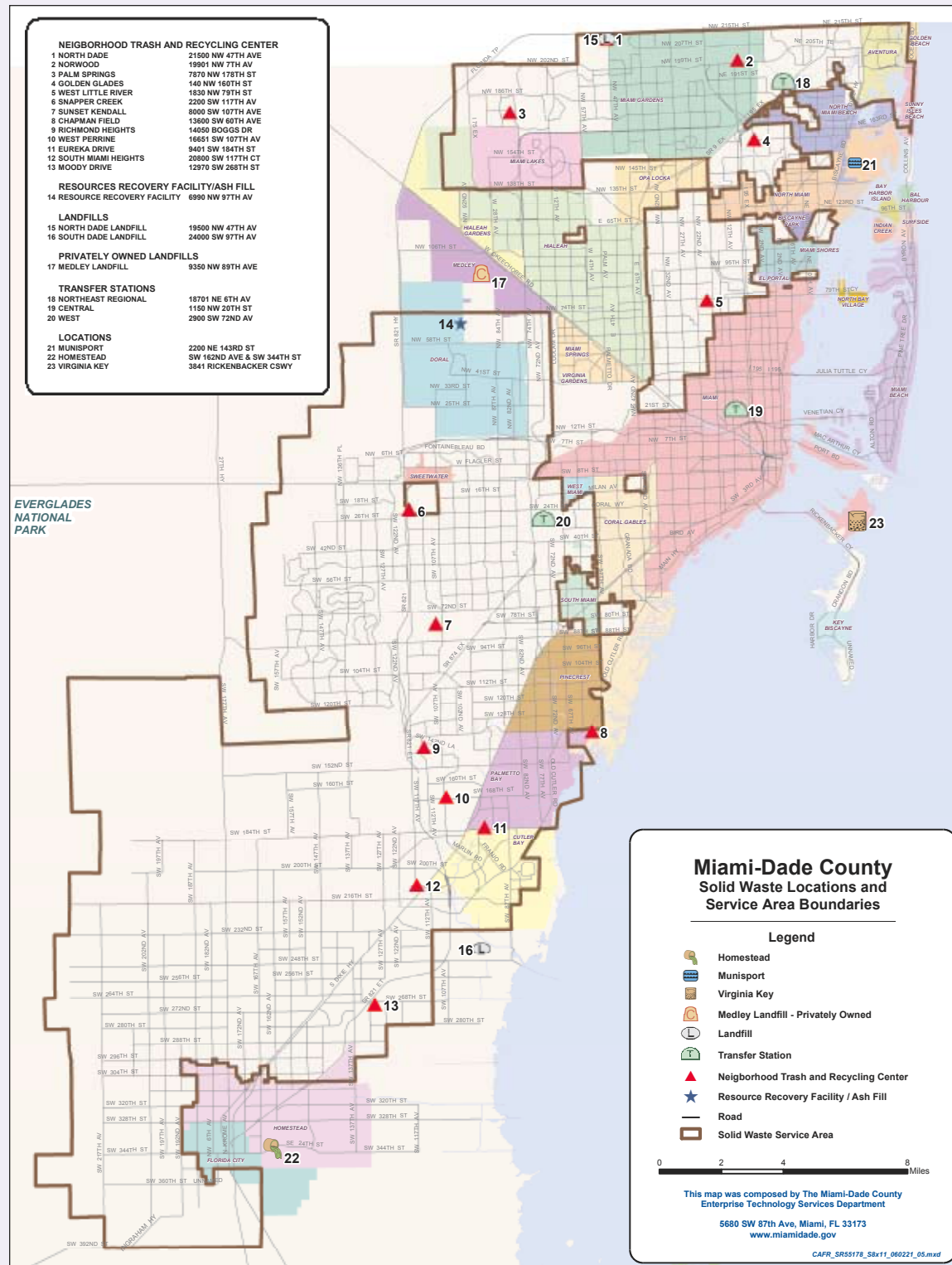


TABLE XI

Insurance in Force

Type of Coverage and Insurance Company	Policy Number/ Policy Period	Details of Coverage	Limit of Liability
Public Employees Blanket Bond: Fidelity & Deposit Co. of Maryland	CCP001342109 08/19/05-8/19/06	Employees Dishonesty	\$1,000,000 blanket bond \$ 50,000 deductible
Accidental Death: Hartford Life Insurance Company	ETB-105355 8/29/05-8/29/06	Accidental Death and Dismemberment	\$ 25,000
Property Insurance: Various companies	5/03/05-5/03/06	Real & Personal Property	various
Automobile Liability:	N/A continuous	Self-insured fund	\$ 100,000 per person \$ 200,000 per occurrence pursuant to F.S. 768.28
General Liability:	N/A continuous	Self-insured fund	\$ 100,000 per person \$ 200,000 per occurrence pursuant to F.S.. 768.28
Workers' Compensation	N/A	Self-insured fund	Statutory coverage F.S. 440



TABLE XII

Schedule of Debt Service Coverage

Last Ten Years (in thousands)

	FY 1996	FY 1997	FY 1998	FY 1999
FIRST TIER TEST				
Adjusted net operating revenues (1)/(1a)	(\$26,092)	\$41,277	\$44,519	\$38,205
Debt service requirements (1b)	\$24,814	\$15,260	\$11,207	\$15,919
Actual Coverage (4)	N/A	2.70	3.65	2.40
Required coverage	1.00	1.20	1.20	1.20
SECOND TIER TEST				
Adjusted net revenues	(\$26,092)	(5)	(5)	(5)
County pledged revenue (2)	\$16,307	(5)	(5)	(5)
Guaranteed Entitlement (3)	\$4,016			
Total Revenues	(\$5,769)	(5)	(5)	(5)
Debt service requirements (5)	\$24,818	(5)	(5)	(5)
Actual coverage (4)	-	(5)	(5)	(5)
Required coverage	1.33	(5)	(5)	(5)

(1) Adjusted net operating revenues include: Operating revenues plus intergovernmental revenue used in the calculation of debt service coverage, less operating expenses (prior to depreciation and expense for assumption of liability of closure and postclosure care costs for inactive landfills) plus certain interest income defined as revenues by debt instruments. UMSA funds were included through fiscal year 1995 and resumed in fiscal year 1999. Gross contributions reflected in fiscal years 2002 and 2001 Statements of Revenues and Expenses in accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions (see footnote 6 to the financial statements), have been excluded from this calculation. Fiscal year 2001 operating expenses (before depreciation and closure & postclosure care costs for inactive landfills) include an amortization credit of \$8.1 million in closure & postclosure care costs for active landfills (see footnote 10 to the financial statements).

(1a) Fiscal year 2003 adjusted net operating revenues figure herein includes \$4.7M from rate stabilization (representing 20% of adjusted NOR FY2002 reported above which includes \$7.6 M from rate stabilization). Fiscal year 2002 adjusted net operating revenues figure herein includes \$7.6M from rate stabilization (representing 20% of adjusted NOR FY2001 reported above).

(1b) Figures for debt service requirements are reflected on an accrual basis herein while the figures on the footnotes to the financial statements represent future requirements on a cash/maturity basis.

FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
\$35,417	\$38,008	\$23,555	\$26,054	\$32,869	\$44,766
\$15,932	\$17,140	\$17,987	\$18,018	\$18,026	\$18,966
2.22	2.22	1.31	1.45	1.82	2.36
1.20	1.20	1.20	1.20	1.20	1.20
(5)	(5)	(5)	(5)	(5)	(5)
(5)	(5)	(5)	(5)	(5)	(5)
(5)	(5)	(5)	(5)	(5)	(5)
(5)	(5)	(5)	(5)	(5)	(5)
(5)	(5)	(5)	(5)	(5)	(5)
(5)	(5)	(5)	(5)	(5)	(5)

(2) Pledged revenues include occupational licenses fees, beverages licenses fees, licenses plate fees, and auto title fees. These revenues are pledged by Miami-Dade County.

(3) Represents the County's additional pledge of 10% of the available Guaranteed Entitlement funds.

(4) The Department did not achieve coverage requirements for fiscal year 1996, due to recording of expenses related to future closure and postclosure care costs for inactive landfill responsibilities assumed by the Department in 1996. In January 1997, all debt constituting "Debt Service Requirements" above was refunded (see footnote 4 to the financial statements). If the fiscal year 2001 amortization credit of \$8.1million in closure & postclosure care costs for active landfills was excluded from the calculation herein (see footnote (1) above), debt service coverage would change from 2.22 to 1.74.

(5) During fiscal year 1997 the Department refunded all senior lien direct obligation debt. New coverage requirements on the refunding bonds has only one coverage test of 1.2 times the current year's annual debt service requirement.



TABLE XIII

Schedule of Major Contracts and Agreements — Operating

	Fees/Rates Effective October 1,			Expenses Recorded (in millions)		
	2003	2004	2005	FY 2003	FY 2004	FY 2005
Agreement for the management and operation of the County-owned Resources Recovery Facility:						
* Pursuant to the amendment adopted by the Board of County Commissioners on August 2, 2004, the contract with the Operator has been extended through 2023, with four five year options to renew. Prior to the amendment, the contract was due to expire in 2013.						
* The County guarantees up to 1,206,000 tons annually, if available:						
On-site waste: 936,000 tons (a)						
RTI: 270,000 tons						
(a) Depending on the amount of garbage & trash available to the County.						
* As part of the amendment, beginning in fiscal year 2005, the Operator may request additional (1) on-site waste (25,000 tons per year increasing gradually to 100,000 tons maximum in fiscal year 2010).						
* Tipping Fees (main categories) /rates per ton:						
On-site waste up to 702,000 tons.	\$30.95	\$31.95	\$32.80			
On-site waste in excess of 702,000 (702,001 tons - 936,000 tons)	\$25.09	\$25.90	\$26.59			
On-site waste in excess of 936,000, (936,001 tons - 1,036,000 tons)	-	\$16.80 (1)	\$17.25			
Scrubbers	\$7.52	\$7.76	\$7.97			
RTI	\$26.60	\$27.46	\$28.19			
Fee increases limited to CPI, change-in-law and contract-renegotiation.						
* Expenses recorded for Capital Tipping Fees and Oper. & Management Tipping Fees				\$51.6	\$53.8	\$52.6
Agreement with Waste Management Inc. of Florida for waste delivery to the Waste Management Landfill located in Medley, Florida:						
* Twenty year term contract which ends in 2015, with 2 additional 5-year renewal options.						
* The County to deliver between 100,000 and 120,000 tons per year.						
* Guaranteed capacity to the County up to 500,000 per tons per year (including alternate landfill).						
* Fees/rates per ton billed to the County:						
First 100,000 tons delivered.	\$27.27	\$28.15	\$28.90			
First 20,000 tons delivered in excess of 100,000.	\$22.26	\$22.98	\$23.59			
First 20,000 tons delivered in excess of 120,000.	\$21.15	\$21.83	\$22.41			
Fee increases limited to CPI and change-in-law.						
* County receives surcharge for all non-DSWM waste delivered to Medley.						
* Expenses recorded				\$3.7	\$3.4	\$3.1

	Fees/Rates Effective October 1,			Expenses Recorded (in millions)		
	2003	2004	2005	FY 2003	FY 2004	FY 2005
Agreement with Wheelabrator South Broward, Inc. for waste delivery to the South Broward Waste to Energy Facility:						
* Annual contract (approved in December 1995), with 9 renewal options, 6 sole-options for Wheelabrator and 3 mutual-options.						
(2) During fiscal year 2003, the Department exercised its option not to renew the contract.						
* The County to deliver upon request up to 100,000 tons per year.						
* Fees/rates per ton billed to the County, changes if any are effective every January 1st. Fee increases limited to CPI (capped at 5% per year) and change-in-law.	(2)	(2)	(2)			
* Expenses recorded				\$0.2	(2)	(2)
Agreement with Browning-Ferris Industries d/b/a Community Recycling for curbside recycling:						
* Contract as amended on 10/95 ends in 2006.						
* Fees/rates per ton billed to the County. Fee increases limited to CPI	\$2.57	\$2.65	\$2.72			
* Expenses recorded				\$9.7	\$9.5	\$10.6



TABLE XIV

Schedule of Major Disposal Delivery Agreements

	Fees/Rates Effective October 1,		
	2003	2004	2005
Interlocal (long-term disposal delivery) agreements with 18 municipalities in the County:			
* 20-year term contracts, which end in 2015 (except West Miami, Homestead and North Miami).			
* The County guarantees to meet level-of-service standard for disposal capacity (concurrency).			
* Municipalities agree to deliver all tonnage collected and to direct contracted/franchise haulers.			
* Tipping Fees/rates per ton:	\$50.65	\$52.25	\$53.65
Transfer Fees/rates per ton:	\$10.05	\$10.35	\$10.60
Fee increases limited by CPI and change-in-law.			
Long-term contract to provide disposal services to Browning-Ferris Industries (BFI):			
* Pursuant to amendment adopted by the Board of County Commissioners on July 26, 2001, the contract term is through 2015, with two 5-year mutual options to renew. Prior to the amendment, 20-year term contract to 2015, with 10-year termination provision in 2005.			
* In consideration for the term extension, 220,000 tons per year delivery requirement (plus additional 10,000 tons per year for 5 consecutive years, beginning October 1, 2001). Prior to the amendment, 300,000 tons per year delivery requirement or all tons collected.			
* Hauler will deliver at least 75,000 tons of its commitment to County transfer stations at additional transfer fee per ton. Prior to the amendment this requirement was for 100,000 tons.			
* Tipping Fees/rates per ton:	\$50.65	\$52.25	\$53.65
Transfer Fees/rates per ton:	\$10.05	\$10.35	\$10.60
Fee increases limited by CPI and change-in-law.			
Long-term contract to provide disposal services to Waste Management:			
* 20-year term contract to 2015, with two 5-year mutual options to renew.			
* 91,000 tons per year delivery requirement or all tons collected. (88,400 tons if County delivers less than 120,000 tons annually to Medley Landfill (see Table 13 in this report)).			
* Tipping Fees/rates per ton:	\$50.65	\$52.25	\$53.65
Transfer Fees/rates per ton:	\$10.05	\$10.35	\$10.60
Fee increases limited by CPI and change-in-law.			

(THIS SECTION LEFT BLANK INTENTIONALLY)



(THIS SECTION LEFT BLANK INTENTIONALLY)



